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Russia Rejects CSCE Minsk Group Plan

NC1105183694 Yerevan SNARK in English 1106 GMT 11 May 94

[Text] Baku, May 11 (SNARK)—Ian Elliasson, a chairman of the CSCE Minsk group, came to Moscow where he took up negotiations with the officials of Russia. The Baku radio reports on the meetings of Ian Elliasson with the USA and Turkey representatives which preceded his visit to Moscow. The Baku radio states the Russian side says "no" to the plan introduced by Mr. Elliasson.

Ian Elliasson is of the opinion that only Russia could settle the conflict.

Ian Elliasson is expected to visit Transcaucasia.

Baltic Defense Ministers Sign Accord With France

LD1105143694 Tallinn Radio Tallinn Network in Estonian 1400 GMT 11 May 94

[Text] The Baltic states are strengthening military cooperation with Western European countries. Today in Paris the defense ministers of the three Baltic countries signed a cooperation agreement with France on defense issues. The document was signed by Estonian Defense Minister Indrek Kannik, Latvian Defense Minister Valdis Pavlovskis, and Lithuanian Defense Minister Linas Linkevicius. On behalf of France the agreement was signed by Defense Minister Francois Leotard.

According to the agreement, France will help the Baltic states to run joint military exercises, exchange officers and military observers, and train military personnel, including the Baltic peacekeeping battalion. According to the French defense minister, all three Baltic countries need military hardware, vehicles first and foremost.

After signing the agreement, Indrek Kannik said that the agreement concluded in France will help Estonia in persuading Russia to withdraw its troops from Estonia.

CIS Seeks Coordinated Customs Policy

LD1105204794 Moscow INTERFAX in English 1807 GMT 11 May 94

[Text] The creation of a customs union within the CIS is a remote, but feasible prospect, the chairman of the State Customs Committee, Anatoliy Kruglov, told Interfax Wednesday.

Kruglov said the first steps were being made in this direction. In particular, a council of the leaders of CIS customs was set up which will be responsible for shaping up a coordinated customs policy of the CIS states.

However, the creation of a customs union should be preceded by the creation of a strong economic union and a single economic space within the CIS, Kruglov said.

At a news conference in Moscow Wednesday, Kruglov put a special emphasis on the CIS customs offices' interaction on the road to integration. In particular, the council had made a number of crucial decisions over the four months since its creation.

At the initiative of the Russian customs service, the council prepared an agreement on cooperation and mutual assistance in customs affairs and another agreement on the detention and return of illegally exported and imported cultural values. The two agreements were signed by the CIS heads of government on April 15.

In addition, a multilateral interdepartmental agreement on cooperation in tackling drug trafficking has been prepared and recommended for signing.

At present, the council is preparing drafts of CIS customs legislation and an intergovernmental agreement on simplified clearance on customs borders.

Kazakh, Kyrgyz, Uzbek Security Departments To Cooperate

LD1205054694 Moscow ITAR-TASS in English 0427 GMT 12 May 94

[By ITAR-TASS correspondent Gennadiy Kulagin]

[Text] Almaty May 12 TASS—The Kazakh State Committee for National Security, the Uzbek Security Service and the Kyrgyz State Committee for National Security signed a tripartite agreement on cooperation and interaction on technical provision of the security services of the three countries on principles of mutual payments.

The sides outlined concrete ways to carry out their plans, develop coordination and interaction and exercise manoeuvres by means of forces and technical facilities available.

Apart from this agreement, the Kazakh and Kyrgyz security departments signed and agreement on cooperation in military counter-intelligence.

Kazakhstan Economy Minister on Eurasian Union

PM1105151194 Moscow ROSSIYSKAYA GAZETA in Russian 11 May 94 First Edition p 6

[Report on interview with Mars Urkumbayev, Kazakhstani minister of economy, by ITAR-TASS correspondent Vladimir Akimov; place and date not given: "Eurasian Union Is Command of the Times"]

[Text] Mars Urkumbayev, Kazakhstani minister of economy, believes that a special relationship between his country and Russia is not a whim of politicians but a vital necessity. Despite all the complexities of the present reality, both states are actually working to create the backbone of the future Eurasian Union of CIS countries. It is this that largely accounts for President Nursultan Nazarbayev's initiative of transforming the

Commonwealth into such a fundamentally new association of like-minded countries, which he advanced at the end of last month during his official visit to the Russian Federation.

An ITAR-TASS correspondent met with the minister and asked him to describe in an exclusive interview how this idea matured.

"Our idea is the result of an impartial analysis of the state of the two states' economies," the minister said. "They virtually constitute a single whole. Therefore they are not subject to disintegration, although in reent years certain 'hotheads' have committed quite a few follies here, with the result that we are all having to pay a high price for confusion and unprofessionalism.

"For example, how will the power workers of the Urals and West Siberia work stably without Kazakhstani coal, if they are almost totally dependent on deliveries of it? Or Russian metalworkers, to whom our republic used to dispatch more than 8 million tonnes of iron ore and iron-ore concentrates and pellets every year?

"There has recently been an ever greater number of complaints about paralysis in our passenger motor transport and housing construction. Just about everyone is blamed for this. In actual fact, however, the primary causes lie elsewhere. The republic is almost 100-percent dependent on deliveries of buses and timber from the Russian Federation. Until we have secured the reinstatement of this flow, people will continue to stand in line at bus stops for hours on end, and new buildings will stand for months without floors, doors, or window frames."

[Akimov] But it will not be easy to reinstate the disrupted ties in their former volume, not to mention deepening and broadening them. Last year alone commodity turnover between our countries fell by a factor of more than four. Do you really believe that in this situation it is possible to speak of any start of integration processes?

[Urkumbayev] They are already taking place. Forms and methods of mutually acceptable cooperation were identified at conferences of representatives of ministries, departments, and administrations of contiguous oblasts held under the auspices of our governments during 1992-1993, as well as in talks on a purely regional level. Including with the Republic of Sakha (Yakutia), Bashkortostan, Buryatia, and the cities of Moscow, St. Petersburg, and Nizhniy Novgorod. It is now a question of ensuring that the agreements reached start to work in full. For this it is necessary to remove the last remaining obstacles.

The chief stumbling block here has been the failure of payments to pass not only between individual enterprises but even between banks. This has now reached astronomic figures and runs to trillions of rubles. The lack of joint structures directly engaged in coordinating Kazakhstani-Russian economic ties and eliminating the misunderstandings that arise in their implementation also acts as a big brake.

As a result of talks between our countries' presidents our countries' corresponding departments have, together with the state banks, already begun unraveling the tight tangle of contradictions occasioned by mutual debts. I believe that this work will be completed over the next six to eight weeks, along with the current preparation of proposals for simplifying mutual payment-clearing relations between business subjects, which have been complicated by the introduction of national currencies in our countries. Consequently, in June it is quite possible to expect the completion of the first, most difficult, stage in the normalization of Kazakhstani-Russian trade and economic cooperation.

The second stage is connected with the creation of conditions for the free movement of goods, services, and capital. Here, too, everything seems to be starting to move. The groundwork has already been done for the formation of a single customs area. Compared with last year, Kazakhstan has already reduced the list of quota-regulated output by a factor of six, and Russia by a factor of more than seven. At the same time customs export duties on many types of products have been substantially reduced or even totally removed by mutual agreement between the sides.

There will then follow the complete lifting of customs duties, taxes, dues, and other tariff and nontariff restrictions in mutual trade and a switch to a unified trade policy with regard to third countries. All this, in conjunction with the standardization of trade and economic legislation, is to serve as the basis for rapprochement in other spheres of Kazakhstani-Russian ties, including management structures, and lead ultimately to a union of the two countries of which Nursultan Nazarbayev spoke in Moscow. It is this union in turn, being a kind of guarantor of fair and honest partnership, that must become the backbone of the Eurasian Union.

ITAR-TASS Carries Press Review for 12 May

LD1205053494 Moscow ITAR-TASS in English 0423 GMT 12 May 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow May 12 ITAR-TASS—Commenting on President Yeltsin's visit to Germany the newspaper SEVODNYA (TODAY) writes: The president of Russia hopes that with Germany's support Russia can become a genuine European power. "I believe Helmut Kohl, I believe his moral principles," President Yeltsin said, and this belief provides the basis for Russia's membership of the Council of Europe.

Upon his return from Germany, President Yeltsin is expected to submit to the Federation Council six nominees for the vacancies in the Constitutional Court, NEZAVISIMAYA GAZETA surmises.

The same newspaper carries an article by Russian Minister for Nationalities and Regional Policies Sergey Shakhray, who says among other things: "One of the chief thesis of the regional policy is that the diversity of Russian regions and the multinational composition of the Russian state is not a weakness of Russia's. It is the country's potential might, its potential advantage over many other states. There is no alternative at present: whether the former soviet republics should or should not integrate within the frame of the Commonwealth of Independent States. The option lies elsewhere; whether this integration will proceed in a civilized manner, through voluntary and equal unification or in an uncontrolled way with the use of force. This is the choice Russian society is facing at present".

ROSSIYSKIYE VESTI publishes an interview with State Duma Chairman Ivan Rybkin. Rybkin says that "within a short time, we have succeeded in establishing mutual understanding and interaction between the president and the State Duma, the State Duma and the Federation Council, the State Duma and the judicial branch of power. This is very, very important. It is possible to say that one hundred days of work is a short period of time to allow such a conclusion to be drawn. But ours is the time when one day counts for two and even for three".

The newspaper SEVODNYA quoted Russian delegation leader to talks with Estonia Ambassador Vasiliy Svirin [title and name as received] as saying that "Russia sees no point in continuing futile negotiations with Estonia". Ambassador Svirin told SEVODNYA that the reason for the impasse in the negotiation lies in Estonia's going back on the obligations it assumed earlier (particularly as concerns the retired Russian Army servicemen residing in Estonia and the refusal of Estonia to contribute to the building of housing in Russia for the servicemen leaving Estonia). In this connection Moscow has told Tallinn that the earlier deadline for the withdrawal of the remaining Russian contingent from that Baltic republic is "no longer relevant".

NOVAYA YEZHEDNEVNAYA GAZETA (THE NEW DAILY) mentions the trial of the August 1991 coup plotters. "What was expected almost from the very beginning of the trial has now come to pass: The trial ended in nothing, even before it began properly. Although volumes of in- service reports were written and hundreds of witnesses were questioned, thousands of interviews were given and even books were published, all those who were involved even in the least were sure that this is one of the "eternal cases" which can lead nowhere".

KRASNAYA ZVEZDA quips "the trial of the century is over." It appears that everyone agrees to this with the exception of the former commander of the Soviet land forces, General Valentin Varennikov. In an exclusive interview with KRASNAYA ZVEZDA, Varennikov's lawyer Dmitriy Steiberg stressed that Valentin Varennikov's rejection of the amnesty is not new. Having denied his guilt at the moment of his arrest and then in the course of the examination of the case in the courtroom, Varennikov first spoke out categorically against the amnesty at the court session which followed immediately after the amnesty was announced. He insists that the trial continue and that he be given the opportunity to prove his innocence".

SOVETSKAYA ROSSIYA carries an interview with State Duma deputy economist Vladimir Lisichkin, who touches upon problems relating to privatisation in the Russian Federation. "The ownership of the national wealth, which under the communist rule belonged to the people, was realized through the consumption funds. Of course there were deviations from the fair distribution of the wealth, but the underlying principle was sound. The national wealth was to be managed in a way that permitted every citizen to partake of it. It is silly to say that the people had nothing under the Soviet power and Mr. Chubays is now returning the wealth to the people. Mr. Chubays is telling us that the division of the property is proceeding painlessly. It is a lie. I repeat: an undeclared civil war is underway. And there is blood, blood flowing. Even though nobody seems to be objecting to privatisation."

PRAVDA carries an interview with Gennadiy Tretyakov, a functionary of the Communist Party of Azerbaijan. Concerning relations between Azerbaijan and Armenia, Tretyakov says: "We are neighbours, and we must find a way out of this war. I think that the preamble to negotiations can be provided by mutual agreement on the inviolability of the territorial integrity of Azerbaijan and Armenia, with every citizen, regardless of nationality and domicile, enjoying full civil rights".

St. Petersburg's best hotel, which is full up at any time of the year and which has accommodated presidents, ministers, bankers and top stars is on the verge of insolvency, the newspaper SANKT PETERBURGSKIE VEDOMOSTI writes about Grand Hotel Europe run by a Swedish company, although it is nominally administered by Russians and the city authorities hold a controlling interest in it. The economic and legal confusion in the country, as well as financial machinations of the foreign partners, who seek to bank on the chaos, have brought the hotel to the verge of bankruptcy, particulary since even the loans with which it was reconstructed have yet to be repaid.

Yeltsin Makes Statement Prior to Talks With Kohl

LD1105161994 Moscow ITAR-TASS World Service in Russian 1408 GMT 11 May 94

[By ITAR-TASS special correspondent]

[Text] Bonn, 11 May—"A new, complicated era will begin in bilateral relations after the withdrawal of Russian troops from Germany this August." Russian President Boris Yeltsin made this statement today before starting talks with German Chancellor Helmut Kohl.

The Russian opposition has been saying that "Germany will turn away from Russia completely after the withdrawal of Russian troops and will not help with its reforms, as it had been doing very actively in recent years under the leadership of Helmut Kohl." Answering this opposition, Yeltsin said: "I trust Helmut Kohl—his high moral standards, his decency, and his great political experience. An era of national reconciliation between two countries and two peoples—of Russia and Germany—will begin."

The Russian leader stressed that Russia wanted to be a full member of all European organizations. He reminded that Germany would be chair of the leading bodies of the European Union beginning 1 July 1994. "And, of course, we hope for support from Germany for Russia's participation in all of the European and international organizations," Yeltsin said. He especially stressed the importance of Russia as a European state. "Russia is a European country, and one should not forget this fact," the president said.

"During the course of today's hopefully peaceful, normal, human, but, of course, political and principled talks, I am sure that we will achieve together with my friend Helmut Kohl a full understanding and will settle the problems that we are facing today. They are there, and it is futile to make a secret of them," the president noted.

Yeltsin, Kohl Begin Closed Session Talks

LD1105134494 Moscow ITAR-TASS World Service in Russian 1322 GMT 11 May 94

[By special ITAR-TASS correspondent]

[Text] Bonn, 11 May—Russia's President Boris Yeltsin and German Chancellor Helmut Kohl have begun their talks at the FRG chancellor's department in Bonn. The talks are being held behind closed doors. They will subsequently be continued with other delegation members taking part.

It is thought that the issue of finalizing the withdrawal of Russian troops will be one of the main topics on the agenda of the consultatons between B. Yeltsin and H. Kohl. Considerable attention will also be focused on the problems of economic cooperation between the FRG and Russia, and topical international political problems. B. Yeltsin and H. Kohl will today hold a joint news conference on the results of the talks in Bonn.

Agreement Signed on Direct Hot Line to Bonn

LD1105140594 Moscow ITAR-TASS World Service in Russian 1327 GMT 11 May 94

[Text] Bonn, 11 May (ITAR-TASS)—A direct, scrambled telephone line will be set up in the nearest future between the Kremlin and the federal chancellor's department. An agreement on this was signed in Bonn today during the official visit of Russian Federation President Boris Yeltsin to the FRG. The document was signed by Foreign Minister Andrey Kozyrev for Russia and by FRG Foreign Minister Klaus Kinkel for Germany.

"Taking account of the mutual interest in creating the technical wherewithal to hold confidential telephone conversations at the highest level," the agreement provides for, "as soon as technically feasible," setting up a direct scrambled telephone link between the Kremlin and the federal chancellor's department, using two channels laid along geographically separate routes.

The agreement comes into force on the day on which it is signed.

Yeltsin, Kohl Hold News Conference on Results of Talks

Leaders Agree on Troop Farewell Ceremony in Berlin

LD1105181694 Moscow ITAR-TASS in English 1656 GMT 11 May 94

[By ITAR-TASS correspondents]

[Text] Bonn May 11 TASS—"We have agreed to see off the Russian troops (from Germany) in a worthy manner and add festive character to the event", Russian President Boris Yeltsin told a press conference on Wednesday adding that he and Chancellor Helmut Kohl had discussed the issue in detail.

Kohl earlier said the farewell ceremony would take place in Berlin where the Second World War ended.

The ceremony should signal an end to a certain historical phase, according to Yeltsin. Germany, Russia and the whole of Europe are entering a new era of relations, an era of reconciliation, he said and added that the ceremony would be a prologue for the celebrations of the 50th anniversary of the end of World War Two to be marked in 1995.

Yeltsin stressed that Kohl had confirmed the German position to politicallly include Russia into the G-7, to accept it into the Council of Europe and to promote an early partnership and cooperation agreement between Russia and the EU [European Union].

Yeltsin 'Satisfied' With Talks

LD1105195994 Moscow ITAR-TASS in English 1911 GMT 11 May 94

[By ITAR-TASS special correspondent]

[Text] Bonn May 11 TASS—"I am satisfied with the results of today's talks with President Richard von Weizsaecker and Chancellor Helmut Kohl. The talks were held in a sincere, friendly atmosphere. This has already become a good tradition and reflects the particularly genial relations that have developed between our states over the past few years", Russian President Boris Yeltsin told a joint news conference here on Wednesday.

According to Yeltsin, the talks demonstrated once more that the two sides were unanimous in their assessment of the current state of Russian-German relations. "The federal chancellor and I agreed that our two countries had proceeded far along the way towards each other. We have managed to solve most of the thorny problems inherited from the war and the post-war period. The agreements reached during our talks have begun working", the Russian president stressed.

Yeltsin reported that he had discussed today in details with Chancellor Kohl arrangements for the farewell ceremony to mark the complete withdrawal of Russia's West Army Group from Germany, scheduled for this coming August. The sides agreed that the ceremony should be held in style. This event, the Russian leader went on to say, "is designed to symbolize the completion of a certain historic stage and to mark the beginning of a new era of relations our states, and Europe on the whole, are to enter". The planned actions will become a sort of prologue to next year's celebration of the 50th anniversary of the victory in World War II, Yeltsin stressed.

According to him, Russia and Germany would like these celebrations to acquire an all-European scale. "We suggest that a political declaration to be passed at this December's CSCE summit in Budapest include special provisions concerning the 50th anniversary of the end of World War II. They should reflect the principles of world order and international relations to be brought by CSCE member-countries into the 3rd millennium", the Russian president pointed out.

Yeltsin said the talks had also touched upon the issues of human rights and democracy. "Life has brought us to these objectives in different ways. Russia is presently at the stage of democratic consolidation, and this process cannot be called entirely smooth. The pace, methods and instruments of democratic reforms may change depending on the state of society", the Russian leader noted. But this process is irreversible, he stressed, which has been proved by the course of developments following last December's parliamentary elections and the passage of the new constitution by people's vote. The memorandum on civil accord recently signed by Russia's major political and public forces is another evidence of the fact that the overwhelming majority of the Russians favour further peaceful democratic reforms, Yeltsin said.

Yeltsin Says Germany Major Economic Partner

LD1105203194 Moscow ITAR-TASS in English 1941 GMT 11 May 94

[By ITAR-TASS special correspondent]

[Text] Bonn May 11 TASS—"Germany remains Russia's major foreign economic partner," Russian President Boris Yeltsin told a joint news conference he gave here together with German Chancellor Helmut Kohl on Wednesday. He reported that "issues of economic cooperation were also in the focus of attention at today's talks in Bonn".

Under conditions of a complicated transition period Russia is presently going trough, it is difficult to avoid certain decline in economic ties. "Moreover, most farsighted economic partners do not scale down their activity despite the temporary difficulties confronting Russia. I am confident that we will manage to overcome them", the president stressed.

"During the talks, we agreed to pay most attention to such fields of cooperation as power engineering, machine-building, conversion, support of small and medium-sized business, especially in the production sphere. We suggested using such effective instrument of economic relations as non-interest bearing commercial credit, or the so-called 'swing'", Yeltsin said, adding that "the discussion of trade and economic relations between Russia and Germany will be continued on the second day of his visit".

Kohl Says West Fully Supports Yeltsin

LD1105195494 Moscow ITAR-TASS in English 1910 GMT 11 May 94

[Text] Bonn May 11 TASS—German chancellor Helmut Kohl said Germany and the rest of the West are interested in a democratic, politically stable and economically strong Russia.

"We, Germans, and, I think, the majority of people in Europe and the West are interested in a democratic, politically stable and economically strong Russia," he said.

Speaking at a joint news conference after his talks with visiting President Boris Yeltsin on Wednesday, Kohl pledged to support by words and action Russian partners. He confirmed that Germany pins hopes on Yeltsin's economic reform and fully supports his policy.

He stressed the need to let Russia in in international organisations, including the General Agreement on Tariffs and Trade. Kohl stressed that Germany will soon become president of the European Union [EU] and will call for the soonest possible signing of a cooperation accord between Russia and the EU.

One of the key topics discussed at the talks which will continue on Thursday was European security, the German chancellor continued. "I explained to President Yeltsin the meaning and goals of the decision adopted at the NATO summit meeting in Brussels in January 1994. We are interested in Russia's participation in the Partnership for Peace," he said.

Speaking about the Bosnian conflict, Kohl noted that Germany and Russia are working in the contact group with representatives of the United Nations, the EU, the United States, France and Britain in order to reach as soon as possible a comprehensive cease-fire in Bosnia and involve the warring sides in cooperation to establish a durable peace.

Kohl and Yeltsin also discussed bilateral relations, including the withdrawal of Russian troops from Germany.

Yeltsin Banquet Speech Focuses on Reforms

LD1105184194 Moscow INTERFAX in English 1618 GMT 11 May 94

[Text] President Boris Yeltsin in a speech at the formal banquet in Bonn late on Wednesday dwelt at length on the course of Russian reforms.

"Our state, he said, is going through a complicated period. Its substance is manifested in profound changes in all walks of life: from the national economy down to the individual's mentality. The complexity of tasks we have set ourselves is not determined only by the gigantic size of the country. One other just as important factor is caused by the huge distortions inherited by Russia from the period of totalitarian rule".

It is impossible to resolve such tasks quickly and without pain, said the Russian president. "Any tangible results may follow a longer range flexible policy which, apart from the world experience, accounts for Russian history, Russian national specifics and traditions and the psychology of our society", he said.

"We are seeking to set conditions for active participation in Russian reforms by all constructive forces and at the same time, tough restrictions on extremists", Yeltsin stressed. "We are well aware that the key to resolving the current problems is in our own hands. No one but we ourselves can build a prospering society—by dint of our people's toil, talents and energy. And we are confident about a success of our reforms".

On relations between Russia and Germany, Yeltsin said the present generation of Germans and Russians made use of the unique chance "that history has given us". "Gone from our relations is the feuding which has for decades worn out the nerves and stamina of both nations", said the president. "Today, we solve all arising issues to mutual benefit in an atmosphere of calm and well-wishing. One proof is the nature and substance of current talks with the federal chancellor".

One of the issues of mutual concern, the president went on to say, is bilateral economic relations. In his words, Germany is "Russia's main trading partner". However, he stressed that businessmen from other countries have started to overtake their German counterparts in the Russian market. " I do not think that German entrepreneurs would be willing to concede their leading positions. But for this, more activity is needed", said Yeltsin.

The Russian president offered German businessmen to open up direct cooperation with Russian enterprises and promote manufacturing contacts for years ahead without restricting themselves to one-off trading deals.

On the situation in Europe and worldwide, Yeltsin stressed it was on the change. "The bloc approach to resolving international issues is going into the past. But eternal peace is yet to come. What I mean, said the president, is not only the local conflicts and wars but also global challenges which can be met by the world community as a whole. That is why there is an increasing urgency for united effort".

Both Germany and Russia can play a stabilizing role in complicated global processes, Yeltsin believes. But more importantly, peace and security guarantees must be brought to Europe and adjacent regions. "What is needed is the models of solutions and cooperation that would not infringe on anyone's interests and leave anyone overboard", Yeltsin said.

"The new single Europe cannot be a club for a few select", stressed the Russian president. "By the same token, the solution of security problems cannot be the privilege of a few select".

"The wholesome political, economic and cultural architecture of our continent should not be allowed to isolate individual countries or a group of countries on the foe-friend principle but should try to integrate them within a single organism. It is not worth trying to divide Europe into high or low security zones", Yeltsin said.

In his view, "the military-political institutions of our continent emerging in conditions of the period of the cold war and confrontation are outdated and in need of internal transformation". "But the main thing is cooperation in the readjustment of the system of institutions and mechanisms which could work to the benefit of one democratic Europe", he pointed out. "The main route to this, in our view, lies through establishing the CSCE as an effective regional organization. In this case, united effort by NATO, NACC [North Atlantic Cooperation Council], WEU [Western European Union] and CIS can acquire a new substance under its umbrella". It is precisely this that determines Russia's attitude to the Partnership for Peace program, he said.

In his words, "the genuine partnership is an effective guarantee of security and stability in the continent. But this can be made possible only if there is a will on both sides and a movement towards each other." "Such an approach does no ripe easily even within the framework

of NATO", he said. "But this in itself is no reason for slackening bilateral effort", said Yeltsin.

"Russia's position on this is clear-cut: we have no territorial claims to any state. Our defence doctrine is purely defensive. The Russian armed forces have no tasks other than defences of the country and its CIS allies, participation in peacemaking operations in line with international commitments", said the Russian president.

Yeltsin told the audience that "we are on the threshold of an important event in Russian-German relations. The last Russian soldier will soon leave the German soil. This will draw a line under the heavy legacy we inherited almost 50 years ago. Of course, our memories will take us back again and again to the tragic chapters of history. But this should not be allowed to become an obstacle to a final historical reconciliation between the peoples of our countries. The seeds of reconciliations have shot up and started to bring a rich harvest."

Kohl Supports Russian Integration With Democratic States

LD1105202494 Moscow ITAR-TASS in English 1939 GMT 11 May 94

[By ITAR-TASS special correspondent]

[Text] Bonn May 11—German Chancellor Helmut Kohl said today that Germany will discuss the possibility of providing further support to Russia and promoting its integration into the world economy at the forthcoming group of seven ("G-7") industrial leading countries of the world summit scheduled to be held in Naples (Italy) in July. Kohl was speaking at a supper hosted by him in honour of Russian President Boris Yeltsin at the Petersberg Government Residency today.

The chancellor emphasised that the German people are for new democratic Russia's integration into the circle of democratic industrial states. This is the reason why the Germans favoured Russia's inclusion, as broadly as possible, into the political part of the "G-7" summit, he said. According to him, Germany's Western partners expect from Russia constructive cooperation in settling European and international crises.

Helmut Kohl recalled that the last of the Russian troops will leave the German territory in August this year. "This will not only be drawing a line under the post-war history of Europe. We are united in saying that this gives our countries a special opportunity for strengthening and widening new friendship and partnership. That is why we wish to mark the withdrawal of Russian military personnel together in a solemn and fitting form," he said.

Kozyrev Praises Results of Yeltsin's Talks

LD1105202694 Moscow ITAR-TASS World Service in Russian 1902 GMT 11 May 94

[By ITAR-TASS special correspondent]

[Text] Bonn, 11 May—"The results of the first day of the visit by Russian President Boris Yeltsin to the FRG speak for themselves. Relations of friendship and trust justify themselves. The Russian-German summit meeting produced a resolution to the question of the withdrawal of troops from Germany." Russian Foreign Minister Andrey Kozyrev, who was commenting on the results of the talks at the request of the ITAR-TASS correspondent, said this today.

"I do not believe," the minister noted, "that it was right to whip up passions from all sides over this question and to make various statements. Everything can be settled in a normal manner, precisely by holding the send-off ceremony for Russian troops in Berlin. We will hold some cultural event afterwards in Weimar. Therefore, the federal chancellor's idea remains alive and in force. And, in essence, such solutions lay the foundations for the future."

When asked by the ITAR-TASS correspondent what he thought of the accord reached during the talks between Yeltsin and Kohl, Colonel General Matvey Burlakov, commander in chief of the Western Group of Forces, said: "This is a wise decision by our leaders."

Yeltsin Meets With SPD Leaders in Bonn

LD1205091994 Moscow ITAR-TASS in English 0819 GMT 12 May 94

[By ITAR-TASS special correspondent]

[Text] Bonn May 12 TASS—A meeting between Russian President Boris Yeltsin, who is staying here an official visit, and chairman of the Social-Democratic Party of Germany [SPD] and the party's nominee for the post of the German chancellor Rudolf Scharping has begun in the German Government residence Petersberg near Bonn.

The party's deputy chairman Johannes Rau and chairman of the SDPG faction in Bundestag Hans-Ulrich Kloze are also taking part in the talk.

Yeltsin Urges German Help With Financial Integration

LD1205123294 Moscow ITAR-TASS in English 1115 GMT 12 May 94

[By ITAR-TASS correspondents]

[Text] Bonn May 12 TASS—Russian President Boris Yeltsin wants Germany which is to chair the European Union from July to promote its integration into international financial institutions.

"Russia should be pulled closer in Naples", Yeltsin told German Finance Minister Theo Waigel at the end of their Thursday meeting referring to the G-7 summit scheduled for July.

"We shall try as much as it is possible", Waigel promised in return.

According to Russian Economics Minister Aleksandr Shokhin, Yeltsin wants the G-7 to analyse the forms of insuring investments in Russia from noncommercial risks. He told TASS that the Russian leader had raised the issue at the G-7 summit in Tokyo, but "unfortunately the European Union is only now getting down to the work".

Shokhin added that the problems of Russian foreign debt in the framework of the London and Paris Clubs of creditors were discussed during Yeltsin's meeting with Waigel.

Waigel, in his turn, told TASS that the debt problem will be discussed in detail at his talks with Shokhin. According to him, Yeltsin expressed his gratitude for efficient work in attracting international financial institutions to reforming Russian economy.

He also said that the Russian pullout from Germany will not "alienate the peoples" of the two countries. "On the contrary, this step already now causes sympathy to Russia among citizens and political parties of our country", the finance minister stressed.

After the meeting with Waigel Yeltsin left for Helmut Kohl's home region of Rhineland-Palatinate where he is to hold several private meetings with the chancellor.

Yeltsin Message Notes Irreversibility of Reforms

LD1205123194 Moscow ITAR-TASS in English 1203 GMT 12 May 94

[By ITAR-TASS special correspondent]

[Text] Bonn May 12 TASS—"Everything that the Russian Federation is doing to strengthen the integrational processes, by no means pursues the purpose of restoring the former Soviet Union and is based on purely economic considerations," Russian President Boris Yeltsin, currently on a three-day official visit in the FRG, stressed in his message, which was read out in Bonn today during the opening of the first general session of the International Committee for Economic Reforms and CIS Cooperation with Western Countries.

The head of the Russian state drew attention to some strategic factors in East-West economic relations, particularly to the fact that "the merging of the Western investment potential with the resources and labour force of the new independent states is becoming increasingly pressing in our days". "It is absolutely clear now that the Russian Federation, like the other CIS states, has irreversibly embarked upon the road of reforms, switching over from the centralised planned economy to market relations, and is fully resolved to go the whole hog," Yeltsin pointed out.

The address of the Russian president who, as noted here, wanted to attend the general session personally, but could not do it due to the busy programme of his official visit to Germany, had set the tune to many other speeches.

"I readily joined the work of the international committee," its vice leader and chairman of the "Deutsche Bank" supervisory council Friedrich Wilhelm Christians noted, "because I was sure that integration processes had begun in the CIS countries. The former republics of the Soviet Union made a big mistake when they presumed that each of them could survive independently after the USSR's collapse. This is impossible today. Not only much time was wasted in vain during the years that had elapsed since then, but great damage was inflicted upon those states, too," this prominent German banker who, as he said, has been actively cooperating for the past 25 years first with the former USSR and then with the CIS nations, told the general session.

"And after the beginning of the integration process, not only in the political but also in the economic sphere, it was time to think of the emergence of those countries on the world market," Christians noted.

"The Bonn general session," head of the international committee and Chairman of the Council of Experts of the Russian Government Georgiy Khizha stressed, "is an important event in the international economic life. "The preservation of peace, political stability and democracy in the CIS countries and other states of the world depends largely on economic and social progress. The work of the committee should make a substantial contribution to the development of real partnership, trust, and mutual understanding. International security in the interests of all the countries of the world can be achieved through economic cooperation," Khizha stressed.

Date of Russian NATO Partnership Membership Not Set

LD1105151494 Moscow INTERFAX in English 1347 GMT 11 May 94

[Text] It has not been decided when Russia is going to sign the NATO Partnership for Peace program. Work is under way in this direction and documents earlier drafted by Russia are being polished. This was disclosed in an interview with Interfax by the head of a Russian Foreign Ministry department Yuriy Ushakov.

He said the documents should reflect the latest developments, including the ideas expressed during a recent debate in the State Duma. He said amendments are being made to the presentation document which has the working name "Basic Parameters of Cooperation with NATO".

Ushakov emphasized that diplomats are working hand in hand with colleagues from the Defense Ministry and other interested agencies. "I cannot say for sure what Defense Minister Pavel Grachev meant when he spoke of working on a new document on relations between Russia and NATO. We drafted the documents that are now being finalized but the foundation remains the same," he said.

Ushakov announced that a mixed commission on cooperation with NATO chaired by Deputy Foreign Minister Vitaliy Churkin held a regular session on Tuesday. It consists of representatives of the Ministries of Defense, Foreign Affairs, Finance and the Interior as well as the Security Council and the Foreign Intelligence Service. The essence of cooperation was discussed as well as various ways of reflecting the special role of Russia in cooperation with NATO. Participants agreed that cooperation with NATO should be expanded and the Partnership program should not be given up despite all its shortcomings, restrictions and shapelessness. The program is not ideal, the diplomat said, and Russia is going to make considerable changes in a document that is going to be worked out between Russia and NATO.

When asked what he meant by Russia's special role Ushakov replied: "This means equal partnership at all levels when the opinion of such a side as Russia must be taken into account before making decisions on key matters concerning acute situations in the world. This is the first and foremost consideration."

Grachev on Need To Hold Joint U.S.-Russian Exercises

LD1105200194 Moscow Mayak Radio Network in Russian 1830 GMT 11 May 94

[From the "Slavyanka" program of the Russian Defense Ministry]

[Text] The fate of the Russian-U.S. joint command and staff exercises on the Totskoye test range near Orenburg remains unclear. There is a fairly broad range of opinions being voiced on this issue. At times it is even acquiring a fashionable political nuance. Here, however, is the opinion of Army General Pavel Grachev, the Russian defense minister:

[Begin Grachev recording] What a rumpus has now been raised about these exercises! We signed the agreement a year ago, and everyone remained silent. Now certain people have suddenly remembered them and there has been a hullabaloo in the State Duma, and there has been a stir at government level, and even in the [Russian Federation] Security Council. Advice is being extended to the president. Boris Nikolayevich and I have also discussed this issue and what approach to take to it.

If we really want mutually to get the enemy image out of our heads and really move step-by-step toward partnership, the exercises are, of course, necessary. Let the young American set his eyes on the young Russian. Let them have contact with one another. Let them tell each other about their lives. What, in the final analysis, is wrong in that? Moreover, they are not war exercises in the pure sense, but peacekeeping command and staff exercises, peacekeeping exercises, and, if we really respect one another and respect those people for whose sake we are engaging in peacekeeping activities, then even at the moral level these exercises should be held. [end recording]

Forum Says U.S. Policy Insensitive to Russia's Needs

MK1105152094 Moscow SEGODNYA in Russian 11 May 94 p 2

[Andrey Lekant report in the "Relations" column: "The Americans 'No Longer Love Yeltsin So Much.' Russia Thinks That the United States Is Indifferent To It"]

[Text] The fifth forum of the Russian-U.S. Aspen Dialogue, organized on our side by the International Association of Enterprise Directors [IAED] and on the U.S. side by the Colorado State Civil Administration Center (Aspen), ended in Sochi last weekend with the adoption of a final declaration.

This time its text was rather tough. The sides have started talking about a "post-romantic" period in the relations between Russia and the United States. The Americans expressed misgivings about the nature of Russian democracy which is in a state of lengthy transition, not excluding the possibility of an "enlightened authoritarianism" period being established (the term by Presidential Council member Andranik Migranyan). And they expressed doubts as to whether democratic goals can be achieved by undemocratic means. Greg Guroff, director of a U.S. State Department division, said that the U.S. press and the people no longer love Yeltsin as before. And support by U.S. politicians of actions analogous to the storming of the White House in Moscow will not be repeated. The Russian side however, in the person of IAED President Mark Masarksiy, believes that the return of authoritarianism is impossible because federal power can no longer concentrate all financing in its hands following the introduction of a two-way taxation system.

The declaration also talks about the Americans' anxiety over Russia's policy in the CIS states which the Russian side regards as a sphere of its vital interests, while the opposite side sees it as a zone of possible expansion by Moscow within the former Soviet sphere of influence. "For the United States and the world community, 25 million Russian-speakers in the CIS is no less painful an issue than the Armenians living in Azerbaijan or representatives of other nations in third countries," Mr. Guroff believes.

The final document also states that "U.S. policy... has lost an element of sensitivity to Russia's real needs in the post- confrontation situation." This statement was preceded by a speech by Aleksandr Yakovlev, director of the

Russian Federal TV and Radio Broadcasting Service. He noted that "the United States' policy toward Russia is temporizing and indifferent." The Marshall Plan was adopted because it testified to victory and billions were spent on it. On the other hand, the revolution of the 80's and 90's in Russia was "alien" to it, and it gave nothing. "And this is just as well," Mr. Yakovlev thinks. In his opinion, in the United States there is no understanding that reformation of Russia has worldwide importance. The Americans for their part have recognized that their country has no coherent policy with respect to Russia.

The tonality of the Aspen dialogue has also changed. Whereas earlier the forum was of an enlightening character—U.S. experts/democrats were teaching the young Russia—now they want to understand what is really going on over here.

U.S. Consulate Seen Overreacting on Crime

PM1105150594 Moscow TRUD in Russian 11 May 94 Evening Edition p 5

[Vissarion Sisnev report: "Attention U.S. Tourists. The U.S. Consulate in St. Petersburg Has Warned Fellow Nationals that Attending the Goodwill Games Poses a Threat to their Lives"]

[Text] Washington—The American public got to know about this 12-page guide from an account of it by COX NEWS SERVICE correspondents. It is anticipated that about 5,000 sportsmen from many countries will participate in the Goodwill Games in St. Petersburg, and not only Russians but also thousands of foreign guests will attend.

It was precisely this that the U.S. Consulate in St. Petersburg had in mind when it put together a guide for prospective tourists planning to visit Russia's "northern capital." It is, however, not exclusively for them but also for business people going there at any other time. In the first place it is not at all advised that anyone do this alone, as "the criminal situation in St. Petersburg has significantly worsened over the last year and problems of personal security are more acute than ever." The guide informs them that "criminal acts, which are often carried out during the day or at times when people are at home in their apartments, are becoming more and more daring."

It goes on to say: "Criminals are better armed than ever, are often well informed about their chosen victims, and take less and less notice of the law-enforcement agencies, which they are stronger than and which feel besieged." Some 15 cases over the last six months are cited where the criminals' targets were consulate staffers themselves, and in one case the attack took place in the street in a densely populated area and no one came to his assistance. On one occasion a consulate staffer was "mercilessly beaten by four militiamen."

In general the U.S. diplomats have a low opinion of St. Petersburg's law-enforcement agencies, especially of State Motor Vehicle Inspection Administration staffers. For example, they said the following about them: "Traffic policemen go as far as threatening totally innocent motorists with blood tests using unsterile needles in an attempt to extort bribes from them." St. Petersburg State Motor Vehicle Inspection Administration staffers, the document asserts, "are well-known for using their power to stop drivers and extort fines from them for real or imagined offenses."

Those who travel to this city by rail are advised to wind wire around the compartment door's lock for the night because the robbers check out in advance who gives the impression of being vague or untogether. What is more, they have at their disposal a strong, colorless gas with which they knock passengers out. Businessmen are advised to keep a lookout for literally everyone, including their Russian partners, as "U.S. business people are with increasing frequency becoming the object of violent attacks, kidnappings, and extortion, which are sometimes planned by people with whom they have joint operations here."

Immediately after this publication appeared, there was a hearing in the Senate Subcommittee on Terrorism, Narcotics and International Communications, in which experts in this field spoke. Russia was more or less the main focus of the senators' attention, as according to CIA Director James Woolsey, the Russian mafia is already working in close contact with the Italian mafia and the Colombian drugs cartels. Senator John Kerry of Massachusetts added that what we are dealing with is the establishment of a "global mafia" and that Russian organized crime, embracing 3,000-4,000 groups, is in control of no less than 40 percent of the national economy.

But there is nothing in all this about which our own press has not written. Therefore, there is no reason to accuse the U.S. diplomats and politicians of anything—what's true cannot be altered. Tourists and businessmen have traveled here just the same, though maybe not in the numbers we would have liked. But articles by journalists or television reports are one thing; people here regard them not so much with distrust as according to the principle: Well they have to write about something.... But they have another attitude toward official warnings from state and diplomatic organs. U.S. citizens have gotten used to paying attention to them, and they have saved a large number of their lives when on the advice of the consulate they have quickly packed their bags and quit a danger zone.

In any case the CNN radio and television corporation—which is behind the games—clearly took the alarm bells in St. Petersburg seriously, inasmuch as it considered it necessary to assure the public: The consulate has overreacted, it is only necessary to "show the same degree of caution as you would in New York, or Paris, or any other big city." It was also announced that plans are in preparation to guarantee the security of athletes and guests at the Goodwill Games, and, as has been the case

with all other international sporting events, additional forces drawn from the militia and Army will be brought in to guard the participants and the sporting facilities.

General on Black Sea Fleet, Joint U.S. Exercises

LD1105211894 Moscow ITAR-TASS World Service in Russian 1247 GMT 11 May 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow, 11 May—The Black Sea Fleet problem has moved beyond the departmental framework and assumed state importance. A system of radical proposals on the future of the fleet is now being prepared by the Ministries of Foreign Affairs, Defense, Economy, and others. The proposals will be examined at the highest level, Lieutenant General Valeriy Manilov, deputy secretary of the Russian Federation Security Council, said in an interview with an ITAR-TASS correspondent.

According to him, it is also impossible to resolve the question of conducting the joint Russian-U.S. command and staff exercises on a departmental level. We need to analyze the political, economic, military-technical, and financial aspects of the exercises, the general said.

Conclusions and suggestions that should also give consideration to the general public opinion should form the basis of decisions on the future of the Black Sea Fleet and on holding the Russian-U.S. military exercises, Manilov stressed. He said that the Security Council has already made its position clear to the Russian president, but at the same time, did not reveal the essence of this position.

Aviation Units To Be Withdrawn From Belarus

LD1205083994 Moscow Mayak Radio Network in Russian 0430 GMT 12 May 94

[Text] According to a report from the ANI agency, aviation units of Russia's long-range aviation subunit will be completely withdrawn from the territory of Belarus by September this year. In particular, the aviation division, whose headquarters is located in Bobruysk, will cease to exist.

Trade Official on Relations With Belarus, Baltics

MK1205084094 Moscow SEGODNYA in Russian 12 May 94 p 2

[Dmitriy Kuznets report under the "Customs" rubric: "Russia Insists on Standardizing Tariffs with Belarus and Imposes Unfavored Nation Trade Status with Baltic States"]

[Excerpt] Anatoliy Kruglov, chairman of the Russian Federation State Customs Committee, has said that Belarus failed to bring its customs tariffs in line with Russian ones by 1 May according to the treaty on the unification of the two countries' monetary systems. Mr. Kruglov said also that a meeting of the Russian and Belarusian customs committee chiefs would take place next week, in which the Russian side is going to insist on adherence to the treaty.

However, Mr. Kruglov thinks, "the unification of customs systems" is proceeding best precisely with Russia's western neighbor: Only joint efforts of the CIS countries' customs services will make it possible to stifle smuggling. The CIS council of customs agency chiefs, which was set up by nine republics last December, has already reached agreements on the prevention of the illicit export of cultural values and a framework agreement on cooperation in customs matters. A similar document is being drawn up on illicit drug trading. As it insists on the integration of customs systems, Russia is pursuing an even more serious objective—it is simply unable to set up and to control on its own the border that has emerged with the near-abroad countries.

Regarding the Baltic states, things stand much worse. According to Mr. Kruglov, Russia has begun to set up a "real border" with the Baltic states. Moreover, both the Baltic states and Russia have imposed "for political reasons" the unfavored nation status in trade with each other. This means that Russian tariff rates on the border with the Baltics will double automatically, a move that will scarcely boost foreign economic activity in the region.

Anatoliy Kruglov said that, as far as he knows, no new changes in import tariff rates have been planned; he thinks that "the golden mean" needs to be found in setting tariffs so that they will be both protectionist but not "prohibitive." As a matter of fact, the customs committee is not going to deal with tariff policy, as it has delegated this function to the customs-tariff council that is being set up within the Russian Government. The fiscal side to the tariff policy, however, will still fall under the committee's jurisdiction. [passage omitted]

Churkin Rules Out Force for Bosnian Settlement

LD1105161894 Moscow INTERFAX in English 1400 GMT 11 May 94

[From the "Diplomatic Panorama" feature; by diplomatic correspondents Igor Porshnev, Vitaliy Trubetskoy and others]

[Text] Russia believes that the time has come for the world community leading members of which are going to attend the ministerial meeting in Geneva on May 13 to start an energetic political discussion with the conflicting Bosnian sides. Otherwise they might never agree. The statement was made in a Wednesday interview with Interfax by a special envoy of the Russian president, Deputy Foreign Minister Vitaliy Churkin.

He added that during the contacts of the last six months the differences between the sides deepened rather than shrank. "If this continues, there will be no settlement at all. Therefore purposeful and energetic influence on the conflicting sides is necessary," the diplomat said.

He stressed that Moscow expects the Geneva meeting of foreign ministers of Russia, the USA, Britain (permanent members of the UN Security Council), as well as Greece, Germany and Belgium (representing the EU) to work out a common strategy for a Bosnian settlement.

According to Churkin, Russia and its Western partners have not yet agreed on their approaches to a settlement. It is the purpose of the ministerial meeting to agree to the maximum on the approaches and a concrete program of action. So far there are only different ideas concerning the way the sides should be influenced, Churkin said.

On the possibility of using armed force to pressure the conflicting Bosnian sides Churkin said there has never been such an argument. Any use of force, and this has happened already, is prompted by extraordinary circumstances which in their turn stem from humanitarian reasons, the existence of safe havens and the protection of the UN force in ex-Yugoslavia. Security Council resolutions for ex-Yugoslavia did not provide for the transition to a diplomacy of force. It is out of the question to try to use force to make one of the sides do something for a political settlement.

Churkin said that by pressure on the conflicting sides he means the use of solely political means.

In his opinion the Geneva meeting can reach agreement and work out a coordinated plan. "Common grounds will be found. The question is how far-reaching these common positions are going to be. Only the ministerial meeting can show that," Churkin said.

The diplomat said that Russia's starting point is quite resolute, but he could not promise that the Russian side would manage to persuade all participants to share its views. He foresaw certain difficulties, but hoped that the common approach would be as close as possible to the initial Russian stand.

In Churkin's opinion one cannot say that the current situation in Bosnia-Herzegovina favors a political settlement. The situation is quite the opposite. It is not favorable for a political settlement because both the Bosnian Serbs and the Muslims are drawn too much by centrifugal forces aimed in the opposite direction, in the direction of further military confrontation, in particular in the area of Brchko. They believe that a political settlement is impossible in principle. This does not promote the peace process, of course.

The diplomat did not rule out the possibility that the Geneva meeting might drag out and end on Saturday morning, not on Friday as it is planned now.

Foreign Ministry Condemns Muslim Attack on Brcko

LD1105170594 Moscow ITAR-TASS World Service in Russian 1526 GMT 11 May 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 11 May—A Russian Foreign Ministry spokesman today condemned the actions of Bosnian Muslims in the vicinity of Brcko in the north east of Bosnia and Herzegovina. According to UN observers, on the morning of 10 May the Bosnian Army, the Russian Foreign Ministry statement notes, fired mortars at the central part of the city of Brcko, which is under Bosnian Serb control. There are dead and wounded among its civilian population.

The provocative actions by the Muslim side in what is currently the most explosive region of Bosnia and Herzegovina, carried out, moreover, on the eve of the Geneva meeting on achieving a Bosnian settlement, could lead to the gravest consequences, the Foreign Ministry spokesman pointed out. In condemning this action Russia insistently calls on all the sides involved in the Bosnian conflict to show maximum restraint and self-control at this crucial moment. It is time finally to discard illusions of a possible military solution and to resume negotiations immediately and unconditionally. Russia will in every way promote precisely such a course.

Yeltsin Calls For Joint Efforts in Bosnia

LD1105203894 Moscow ITAR-TASS in English 1940 GMT 11 May 94

[Text] Bonn May 11 TASS—Russian President Boris Yeltsin said the leaders of the United Nations, the European Union, the United States, Germany, Russia, Britain, France and Yugoslav republics must join their efforts in search of ways to resolve the Bosnian crisis.

Speaking at a joint new conference after his talks with German Chancellor Helmut Kohl in Bonn on Wednesday, Yeltsin said that for holding a meeting at such a level all parties must be absolutely sure that they will solve the problem. It will also require comprehensive preparatory work, he added.

The president said the foreign ministers have already held talks and begun working on the problem.

Greenpeace Ship Causes 'Scandal' at Vladivostok

LD1205082394 Moscow ITAR-TASS in English 0626 GMT 12 May 94

[By ITAR-TASS correspondent Eduard Popov]

[Text] Vladivostok May 12 TASS—Confrontation between the Vladivostok border guard service and representatives from the international Greenpeace organisation, who arrived in the maritime territory to drum up support for the protection of the Ussuri taiga from massive log felling and industrial pollution, is turning into a scandal.

A Greenpeace ship cannot leave the Vladivostok port for the Svetlaya Bay for the fourth day to inspect activities of the Russian-South Korean log felling enterprise.

Operating in compliance with Russian legislation, border guards approved the call only for the ship's crew members.

However, the bulk of the delegation consists of ecologists, researchers and journalists who are, in actual fact, passengers and, according to Russian laws, have no right to cross Russian territorial waters.

Commenting on the situation, head of the Vladivostok port check point Oleg Sukhanov claimed that the Greenpeace deliberately earns scandalous popularity on the conflict with authorities.

The ship with crew members may go to the bay without any problems. The rest of the delegation may go to the bay (some 500 kilometers from Vladivostok) by other types of transportation, for instance, by air.

"Despite my great respect for the international 'Greens' movement, we cannot permit a violation of Russian legislation on the protection of the state border," the border guard stressed.

Yeltsin, ROK President To Meet in Moscow in Jun

LD1105144294 Moscow ITAR-TASS in English 1359 GMT 11 May 94

[By ITAR-TASS correspondent Nikolay Geronin]

[Text] Moscow May 11 TASS—Russian President Boris Yeltsin will hold talks with South Korean President Kim Yong-sam during his visit to Moscow on June 1-4.

The two leaders will meet one-to-one and then hold talks in delegations. They will also have an informal meeting, Valentin Moyseyev, an Asia department official of the Russian Foreign Ministry's department, said on Wednesday.

Moyseyev said that during the visit the sides will sign a political document determining the main directions of future cooperation between Russia and South Korea. They are also expected to sign a package of agreements on various aspects of cooperation, including on environmental protection and prevention of incidents at sea and outside territorial waters of the two countries.

The Russian and South Korean foreign ministries have prepared and finalised a protocol on mutual exchanges. The sides may also sign an agreement on the protection of intellectual property.

Kim Yong-sam's visit will be his first trip to Russia, and the fifth Russian-South Korean summit meeting.

After Moscow, the South Korean leader will visit Tashkent for talks with Uzbek leaders on bilateral relations.

On the way back home, Kim Yong-sam plans to make a one-day stopover in Vladivostok to meet with local officials and discuss prospects for cooperation between South Korea and the Russian Far East.

Commentator Advocates Talks To Resolve Nuclear Issue

SK1205120994 Moscow Radio Moscow in Korean 1000 GMT 11 May 94

[From the "Focus on Asia" program]

[Text] The International Atomic Energy Agency [IAEA] says that if the DPRK replaces nuclear fuel rods without the participation of international inspectors and does not allow the analysis of the radioactive waste [pangsa pegimul], it will refer the nuclear issue to a special meeting of the UN Security Council. Station commentator Valeriy Surikov writes as follows:

The DPRK's announcement of its withdrawal from the Nuclear Nonproliferation Treaty in March 1993 rapidly deteriorated relations between Pyongyang and the IAEA. Since then, Pyongyang has not completely permitted the international inspection of the nuclear sites suspected of nuclear weapons development.

The DPRK is expected to replace fuel rods in one of its nuclear reactors early in May and had requested the IAEA to dispatch its experts to watch the process. However, the IAEA did not accede to the request. The IAEA notes that if it is not allowed to analyze the radioactive waste, watching the process of fuel rod replacement will not produce a desired effect.

With the analysis of the radioactive waste, the IAEA can assess if the North is developing nuclear weapons, they say. Thus, a new conflict broke out between Pyongyang and the IAEA.

Pyongyang informed the IAEA that it would replace the fuel rods of the reactor without the participation of the international inspectors. In the meantime, the IAEA warned Pyongyang that it is prepared to resolve the nuclear issue by the convocation of a special meeting of the UN Security Council.

It is not unpredictable where such a conflict will lead. The United Nations can apply economic sanctions against the DPRK. The United States and the ROK have long demanded such sanctions. However, there still is a chance to resolve the issue through diplomatic efforts. All the countries concerned should continue their efforts for the adoption of a reasonable decision. It should not be forgotten that the tactic of talk, rather than the tactic of pressure, is more desirable.

Russia, DPRK Views on Human Rights Examined

LD1105151994 Moscow INTERFAX in English 1347 GMT 11 May 94

[Text] Moscow and Pyonggang have a serious differing of opinions on what concerns human rights for North Korean citizens working on timber-cutting plants in the Far East. This was stated by a high-ranking Russian diplomat specializing in Korean issues.

He repeated that in accordance with the agreement between the former USSR and North Korea several thousand North Koreans are working on Russian timber-cutting plants in the Far East. The term of the agreement expired in late 1993. A Russian delegation has recently left for North Korea in order to discuss the new agreement on timber-cutting works. The Russian party especially insists on several provisions of this agreement. "In particular, we demand that human rights of North Korean citizens be respected in accordance with the Russian legislation and international standards," the diplomat pointed out.

He added that the issues on human rights caused "certain irritation" on the part of North Korea. "Our colleagues from North Korea state that everything is all right with them in the sphere of human rights. However, according to non-official information, North Korean representatives on the timber-cutting plants sometimes take the passports of North Koreans working there so that they cannot leave for South Korea or for any other third country. They do not always receive all their money," the diplomat said.

He emphasized that Russia wanted all North Koreans on its territory to have passports with them. "I hope we will manage to settle all contradictions with the North Korean leadership without violating the international law and the legislation of our countries," the Russian diplomat stated.

South Korean sources announced that the North Korean leadership was going to send back many of North Korean timber workers so that they do not go to South Korea. The Russian diplomat said he was bewildered with such information. "In fact, this would mean wrecking Russian-North Korean cooperation in the sphere of timber-cutting works and would make conclusion of a new agreement more difficult," the diplomat suggested.

However, he underlined that Russia had not undertaken to repatriate North Koreans unwilling to return to their home country. "If a person is on Russian territory and the person committed no illegal actions we have no reasons to hinder their departure to a third country," the Russian diplomat said.

Diplomat on North Korean Workers in Far East

LD1105163994 Moscow INTERFAX in English 1400 GMT 11 May 94

[From the "Diplomatic Panorama" feature: reports by diplomatic correspondents Igor Porshnev, Vitaliy Trubetskoy and others]

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Foreign Ministry Official Views MiG Sale to Malaysia

LD1105162794 Moscow ITAR-TASS in English 1511 GMT 11 May 94

[By ITAR-TASS correspondent Andrey Bychkov]

[Text] Moscow May 11 TASS—"The Russian side is satisfied with practically everything in the deal to sell Malaysia 18 MiG-29 fighters and Moscow considers it beneficial," a Russian Foreign Ministry top official said.

In an interview with ITAR-TASS on Wednesday, Anatoliy Khmelnitskiy, head of the second Asia department of the Russian Foreign Ministry, said that "presently, the

Russian-Malaysian deal estimated at about 600 million U.S. dollars is at the final stage of consideration. There are no serious obstacles for its signing."

A Russian delegation led by Deputy Foreign Minister Aleksandr Panov has just returned from Malaysia where it held a series of fruitful meetings and talks. They aimed at specifying the details of a large package of agreements now in the works, Khmelnitskiy said.

Apart from selling MiG fighters to Malaysia, the sides also discussed the possibility of launching the production of spare parts for them in Malaysia. Bilateral agreements between the two countries have committed them to establish a sound maintenance base and teach Malaysian pilots to fly Russian MiG fighters.

Malaysia will pay part of the deal with palm oil. "This fact must not worry Russian people. Malaysian palm oil is not only a highly nutritious product, but is also indispensable in various industries, including aerospace industry," Khmelnitskiy said.

If the deal goes through, Malaysia will be the first Southeast Asian country to be granted access to Russian weapons and military technologies.

PRC Claims Amur River Islands Near Khabarovsk

OW1205001394 Moscow Russian Television and Dubl Networks in Russian 0605 GMT 4 May 94

[V. Voropayev video report; from the "Dalniy Vostok" program]

[Text] Although agreement on the demarcation of the eastern sector of the Russian-Chinese border was reached three years ago, the fate of the border islands near Khabarovsk still remains unclear. The Chinese side is claiming the Bolshoy Ussuriyskiy and Tarabarovskiy Islands, and if their reasoning on defining the line of the border is accepted the international boundary will be practically in the center of Khabarovsk. The issue of demarcation of this sector has been temporarily set aside and this uncertainty must worry those who live here. [Video shows unidentified correspondent interviewing Colonel General A.I. Nikolayev, commander in chief of the Russian Border Troops]

[Begin Nikolayev recording] Today's visit to Khabarovsk, to the Far East Border District, is a fundamental part of the measures Russia is taking to protect its interests in the Far East. There are quite a number of issues directly connected with Khabarovsk Kray, the Jewish Autonomous Oblast, and the Amur Oblast arising from problems which the border troops must solve. The border with China is changing and conditions on the state border must be such as to conform with the relations between our two states. All this is being done in the context of the discussion process currently in progress between the Russian Federation and the PRC. It is very important for me to find out how the approach developed by the Foreign Ministry and the Federal Border Service will be perceived in connection with the forthcoming signing of the Russian-Chinese border agreement. [end recording]

However, the inhabitants of the border territories are ignorant of this approach at present. According to newspaper reports, diplomatic representatives of both countries meeting in Beijing have not made any progress in resolving the problem of the islands. The only reassuring thing is that Russia is rejecting the PRC's territorial claims. Meanwhile, the Japanese magazine Sentaku, issue No. 12 of last year, reported that the question has been resolved and mutual agreement reached on handing over the disputed islands near Khabarovsk to the PRC. True, the Japanese magazine does not quote the source of the information. At the same time, Chinese maps of Heilongjiang Province for some time now have shown the islands near Khabarovsk, which the neighboring country is claiming, in the same colors as the Chinese territory. Understandably, all this is simply political fantasy. However, the inhabitants of Khabarovsk must be worried by the mass of reservations and vague wording of the sparse and contradictory information about the islands.

Political Issues

Shakhray Reportedly To Be Replaced as Federation Minister

LD1205084994 Moscow Radiostantsiya Ekho Moskvy in Russian 0800 GMT 12 May 94

[Text] Our radio station has learned that the issue of releasing Sergey Shakhray from his duties as minister for federation affairs, while at the same time retaining him as vice premier, has almost been settled. By all accounts the new minister for federation affairs will be Nikolay Yegorov, currently Krasnodar kray head of administration and a member of the Federation Council . Sergey Shakhray has refused to confirm or deny this information.

Yeltsin Amendments to Law on Deputies' Status Noted

LD1105171594 Moscow INTERFAX in English 1438 GMT 11 May 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] The set of amendments that President Boris Yeltsin made to the law on deputies' status has now been made available to Interfax news agency.

In a paper of May 10, Yeltsin says that parts of the law he endorsed on May 8 were in breach of the country's Constitution.

The president contests the deputy's right to unimpeded access to all government bodies—both federal and local—, and to visit plants, offices and agencies, army units and public groups—on the grounds that this has no relation to the parliament's law making activity. Nor is he for the deputy being entitled to free access to any government official and the latter being bound to give a prompt reply to his questioning.

Yeltsin thinks that the law as it is now will vest the parliament with legislative, executive and controlling functions.

He is also opposed to a broader interpretation of the deputy's right to a prompt reply to his questions on the grounds that this will not be an expression of the legislature's controlling function.

Yeltsin thinks it necessary to bring the provision on further guarantees of parliamentary immunity in line with the appropriate clause of the Constitution.

He also wants to amend parts of the law concerning the conflict between parliamentary and civil service duties. Yeltsin insists that the period that members of the armed forces, police or prosecuting officers spend carrying out parliamentary duties must be put on their usual work record and they must be allowed to resume their former jobs when their term in office expires.

Yeltsin says the law on the deputies' status was adopted in breach of the constitutional procedures. Any bill providing for federal spending is subject to government approval, something that the authors of the law have failed to obtain, he said.

Yeltsin pointed to the abundance of mistakes of a legal nature, terminology and style in the law saying he authorized his envoy Aleksandr Yakovlev to brief the State Duma about them in the order of the day.

Backdrop to Signing of Law on Deputies

PM1205075394 Moscow IZVESTIYA in Russian 12 May 94 p 1

[Sergey Chugayev article: "Who Will Take on the Sin of Violating the Constitution: the President or the Legislators?"]

[Text] As already reported, on 8 May the Russian president signed the federal Law "On the Status of the Deputy of the Federation Council and the Status of a Deputy of the State Duma of the Russian Federation Federal Assembly."

At the same time B. Yeltsin addressed a letter to the Federal Assembly deputies in which he pointed out that the decision to sign had been difficult, since the law contains "obvious...contradictions with the Constitution." In the very near future the legislators are to be sent a list of the president's amendments, which the head of state proposes that the deputies should adopt without waiting for the Constitutional Court's decision.

In all, it is expected that there will be four amendments. In particular, the right of deputies, recorded in the law, to freely visit all organs of state power without exception, to be received without delay by leaders of all ranks, and to receive answers to their questions within reduced times is to be disputed. The right, proposed in the law, to put a deputy's question, the inclusion of additional guarantees of a deputy's immunity in the text of the law, and also the possibility granted to servicemen-legislators not to be discharged but merely to suspend their service in the Armed Forces while carrying out their duties as a deputy have also been deemed not in accordance with the Constitution.

It is hard to regard the president's step of signing a rather debatable document as anything but a continuation of the policy of achieving civil accord in the country. The demonstration of a desire to cooperate with parliament really makes an impression. From this aspect the only question is whether Yeltsin will succeed in breaking the well-known trend whereby all previous similar gestures were regarded by his opponents exclusively as a weakness.

In the opinion of expert jurists, however, the president's signature on the law, which he himself has publicly

described as running counter to the Constitution, could have by no means so clear consequences. The prehistory of the appearance of Yeltsin's signature on the document seems characteristic in this connection.

According to available information, the Law on a Deputy's Status elicited a highly suspicious attitude in the President's Staff when it was still being discussed in parliament. In the opinion of jurists on the Presidential Staff, it essentially means the Sovietization of the Federal Assembly. They believe that the legislators have been unable to overcome the stereotyped idea of the people's deputy which took shape during the years of Soviet power—the stereotype of someone clever with voters' affairs, a pusher for the interests of his own enterprises, and a regional lobbyist, although, as stated in Article 1 of that same law, the chief and only task of the deputy is to exercise legislative power. An analysis of deputies' letters received in the staff of the president and the government confirms this thesis—an absolute majority of them represents lobbying for their own interests or narrow group interests.

But the jurists were chiefly concerned at the fact that the legislators had shown a desire to correct the Constitution not by making amendments to the Fundamental Law but by adopting legislative acts.

The leaders of the power structures also came out unexpectedly against the law. As a result, even S. Filatov, head of the President's Staff, started tending toward a presidential veto of the document. Of the president's immediate entourage, virtually only G. Satarov believed that the law should still be signed. A draft edict on a presidential veto had been prepared by the State Legal Administration. At the last moment, however, to all appearances, Satarov's opinion outweighed the opinion of the rest, and Yeltsin signed the law. A casualty of these contradictions was the State Legal Administration, debarred from further work on the law.

A number of jurists believe that the president should not have recognized the unconstitutionality of the law. By signing it, he assumed responsibility for the constitutionality of the law and himself violated the Constitution. According to available information, the leadership of the State Legal Administration under the president sent Yeltsin a letter which states, in particular, that, by signing the law, the president publicly recognized his double violation of the Constitution and that his political opponents are most likely making use of this circumstance.

Cabinet Relations With Duma 'Constructive'

LD1205103594 Moscow ITAR-TASS in English 0947 GMT 12 May 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow May 12 TASS—"Constructive relations are shaping up between the Russian Government and the State Duma. This is very important for the Cabinet of Ministers," Russian Premier Viktor Chernomyrdin said during the opening of today's meeting of the Russian Government's Presidium, assessing the Duma's approval of the 1944 federal budget in first reading.

"We met with the Duma's understanding and I believe this was due to our common realisation that the fate of the country was being decided," Chernomyrdin stressed. "We shall base the joint budgetary work of ministers and lawmakers on methods of conviction," he added. According to Chernomyrdin, the Duma's preliminary approval of the budget laid the beginning for "concrete, painstaking work, in which the government will persistently uphold its viewpoint after taking into account everything that it had missed or overlooked".

The head of the Russian Government said that the budget financing of the defence complex was a most important problem. "Be what it may, we shall back the military-industrial complex and this refers to all its ministries and departments, including the Russian military science. As to the defence order, it is necessary to balance it out, after seeing what we have on hand this year and without exaggerating or hushing up problems," Chernomyrdin noted.

EFP's Borovoy Announces Presidential Bid

MK1205075094 Moscow NEZAVISIMAYA GAZETA in Russian 12 May 94 p 1

[Yuliya Kantor report under the "In Brief" rubric: "Borovoy Wants To Be President"]

[Text] "My name will emerge in the lists of candidates for the presidency in the upcoming elections because a refusal to contest them would be immoral," Konstantin Borovoy, leader of the Economic Freedom Party [EFP], who arrived in St. Petersburg yesterday, said in a meeting with journalists. The centerpiece of the visit will be talks about the implementation of the EFP's project to lift out of the crisis the country's air space industry, whose main centers are located, in particular, in St. Petersburg and in northwestern Russia. Regarding the situation in the country, Konstantin Borovoy described the just signed agreement on public accord as "the most cynical action conceivable." The EFP leader, who thinks that currently the Russian Government is pursuing an anti-market policy, said in that respect that he would "not join the Chernomyrdin government" under any circumstances.

Rutskoy Not Invited to Leaderhip Forum in Moscow

LD1105142494 Moscow ITAR-TASS in English 1348 GMT 11 May 94

[By ITAR-TASS correspondent yekaterina zhilyakova]

[Text] Moscow May 11 TASS—Former Russian Vice-President Aleksandr Rutskoy was excluded from the list

of people invited to the international week of cooperation of future leaders that opened in Moscow today, following his call for changes in the existing system in Russia made at a V-Day rally on May 9.

In an exclusive interview with ITAR-TASS on Wednesday, Aleksey Koshmarov, chairman of the Russian movement "Future Leaders of the New Millennium," said that about 200 young parliamentarians and members of various parties from Russia, the United States, France, Germany and other countries will try to shape up a new image of the political leader for the 21st century.

"A new type of politics must be distinctive in its unpredictability, ability to conduct a dialogue and seek a compromise, rather than conflicts," Koshmarov said.

He stressed that the members of the movement have been trying to avoid extremism, both right and left, since it was set up two years ago.

Travkin Explains Appointment as Government Minister

LD1105151594 Moscow INTERFAX in English 1347 GMT 11 May 94

[Text] Nikolay Travkin, leader of the Democratic Party parliamentary group, told Interfax that he had been appointed government minister to allow him to retain his seat in the State Duma when he returns to his duties as administration head of the Shakhovskoy District, Moscow Region.

In compliance with the Constitution he had to abandon that position when he was elected to parliament. But he was reappointed to that position and simultaneously made a government minister on May 1. This enabled him to retain his seat in parliament.

Travkin made it clear that he had not been given any instructions on what he is to be doing in the government. He added he had not had any talks with Prime Minister Viktor Chernomyrdin or any other minister on his new appointment.

Travkin thought that the government had to include somebody representing local interests. He attributed all failures of the reform to the inability of the government to hear what local officials had to say about its grandiose plans. Travkin thought that with his new appointment the government had an opportunity and had to use it.

He dismissed press reports on a split in his parliamentary group in the aftermath of his new appointment. He also thought that his signing of the Civic Accord Pact had nothing to do with the appointment.

Yeltsin Aide Demoted Due to Agrarian Hostility

MK1105095094 Moscow KOMMERSANT-DAILY in Russian 11 May 94 p 3

[Veronika Kutsyllo report in the "Cadre Reshuffles in the Russian Leadership" column: "Petr Filippov Has Become the First Victim of National Accord"]

[Text] Rumors about the resignation of Petr Filippov, chief of the presidential administration's Information Support Directorate, which have been surfacing and subsiding periodically in the past month, began to justify themselves by Victory Day: On 7 May Petr Filippov went on a vacation from which he will return to a new job. Some observers assess this resignation as a calculated strike on Filippov's "patron" Sergey Filatov, but signs are that this is rather the case of a person being victimized "in the heat of the moment."

Petr Filippov, 48, graduated from the Leningrad Aviation Technology Institute in 1967. In 1990 he became people's deputy of Russia. In the Supreme Soviet he headed a privatization subcommittee. He was a leader of the Reforms Coalition parliamentary faction and member of the Supreme Economic Council under the Supreme Soviet Presidium. In early March 1993, he was appointed head of the Analytical Center on Socioeconomic Policy. A year later he became chief of the Information Support Directorate.

Although the edict on Petr Filippov's resignation has not as yet been issued officially, it is clear even now that the struggle over this political figure between Sergey Filatov on one hand and the Duma's agrarian lobby together with regional "agriculturists" on the other has ended in favor of the latter. Shortly before the holidays Petr Filippov went on a vacation from which he will return to a new job. The latter has not so far been determined finally. It is only known that Filippov will get an appointment in one of the presidential administration's directorates, somewhat lower in status than his latest one.

A cause for the resignation has been the ill-fated draft "agricultural edict" prepared by Filippov in early April which provoked a storm of indignation from the agrarian lobby in the State Duma. As a presidential administration official told KOMMERSANT-DAILY, the promulgation of the draft "has caused tremendous damage to the president's peace-making policy." However, attempts to assess the appearance of Filippov's analytical memorandum half a month prior to the signing of the Public Accord Pact as a way to trip up Sergey Filatov, who patronizes Filippov, are in all likelihood inconsistent.

What is involved is a more large-scale action by the opposition aimed at either discrediting the president's efforts to achieve national accord or at forcing him into serious concessions. The Filippov memorandum gave the agrarians reason not to sign the accord pact on 28 April in spite of the fact that as a result of the noise they had raised, the president had to agree to include into the

text of the pact a provision about the inadmissibility of "administrative measures" in the countryside.

The double defeat, together with strong pressure by the Duma and regional agrarians (and not only them but also some "highbrow" officials in the presidential apparatus who believe that Filippov is not only insufficiently professional but simply not very intelligent) has angered the president and sealed the fate of the well-known proponent of privatization. Even Sergey Filatov's cautious intervention resulted only in a softening of "punishment:" resignation has been replaced by "transfer to other duties."

At the same time it would be premature to think that Filippov's resignation means a change in Boris Yeltsin's position with respect to the money-losing kolhozes and sovkhozes. Especially if one recalls that the Filippov memorandum was prepared based on the experience in Shakhovskoy Rayon, whose forefather [praroditel] Nikolay Travkin recently received carte blanche to continue transformations from the president, who appointed him minister without portfolio.

Generally it can be said that Petr Filippov has suffered for advocating a common cause but in a rather untimely manner. And therefore became the first victim of the Public Accord Pact.

Police General Faces Criminal Arms Charges

LD1105112394 Moscow ITAR-TASS in English 1045 GMT 11 May 94

[By ITAR-TASS correspondent Larisa Kislinskaya]

[Text] Moscow May 11 TASS—Criminal charges were brought against Police Major-General Igor Shilov, first deputy head of the main criminal department of the Russian Interior Ministry. He is accused of illegal possession of arms, reliable sources told TASS on Wednesday.

Shilov was traced by the Moscow Department for Organised Crime when it arrested a certain Korneyev, a swindler with a big criminal record.

According to the sources, Shilov and his son maintained "corrupted links with Korneyev".

Investigators reportedly possess information that Shilov received bribes from the swindler, however head of the Moscow Department for Organised Crime Colonel Vladimir Rushaylo refused to provide any comment.

Shilov's son, who is an advanced student of the Police Academy, also faces criminal charges for illegal possession of weapons.

The case is being investigated by the Moscow prosecutor's office which said that a total of eight policemen are involved in it. Only one of them has been arrested.

Despite criminal charges Shilov still keeps his post. His and his son's apartments have been searched. The investigation is going on.

According to the "MOSKOVSKIY KOMSOMOLETS" newspaper, a combat rifle with a sight and a big number of submachine-gun cartridges were discovered in Shilov's apartment. A big amount of ammunition was also found in his son's flat.

Political Fallout From Charges Viewed

PM1205081394 Moscow IZVESTIYA in Russian 11 May 94 p 7

[Vadim Belykh article: "Trap for General. Criminal Proceedings Instituted Against Deputy Chief of Russian MVD Main Administration for Criminal Investigations"]

[Excerpts] In issue No. 85 of 6 May IZVESTIYA gave an account of investigation "maneuvers" concerning Major General Igor Shilov, deputy chief of the Russian Federation MVD [Ministry of Internal Affairs] Main Administration for Criminal Investigations. Today we publish what we have managed to find out about this sensitive affair from the Moscow Regional Administration for Organized Crime, the capital's prosecutor's office, and the Moscow Internal Affairs Main Administration Investigation Department.

According to reports from representatives of these three departments, the scandal started with a completely run-of-the-mill operation whereby members of the organized crime subdivision "grilled" a certain citizen Korneyev on suspicion of illegal activity. [passage omitted]

So far the criminal proceedings against Shilov, like the other militia officers, have been brought under Article 218 of the Russian Criminal Code for illegal possession of weapons. The investigation apparently has evidence directly against the country's number two detective that he received a television and video recorder, a fountain pen with a gold nib, and the promise of a car at a cheap price from Korneyev in the form of bribes.

But staffers of the Moscow Regional Administration for Organized Crime and of the capital's prosecutor's office are letting it be known that they possess information about much more serious transgressions by the deputy chief of the Criminal Investigation Main Administration and other militia staffers who have come to their notice. But it can be publicized only after the investigation has finished.

The editorial office has learned that Shilov, who has spent 36 years working in the criminal investigation system, categorically denies all the accusations being made against him. Judging from his statements, the country's number two detective sees all the recent events as a carefully prepared provocation aimed directly against the entire criminal investigation department. The mafia is trying to remove him using the Moscow

Regional Administration for Organized Crime with the help of agent-informer Korneyev. It has been learned that Shilov is confident that given an independent investigation all the accusations made against him, like those against most militia officers who have fallen out of favor with him, will totally collapse.

One way or another Moscow City Prosecutor's Office (which is now handling this sensational case) will have an extremely hard time. Irrespective of the reality of the case's criminal basis and even of the evidence gathered it has already become political, and will undoubtedly play its role in the conflict of various interests both within the MVD itself and outside it.

A major case of corruption in the militia's ranks could to some extent encourage the MVD's future to be decided on the pattern of its "big brother"—the Security Ministry, whereby the ultrapowerful department is split up into several structures which are independent of each other: the Russian Administration for Administering Punishment, Internal Troops, etc. The Main Administration for Organized Crime would then become something akin to the American FBI. The future of the Main Administrations for Criminal Investigation and Economic Crimes looks more complex under this scenario. Separately or together they could be turned into federal departments or, by handing over some of their functions to the Main Administration for Organized Crime, they could be retained only at city or oblast level.

But according to a different opinion the Russian MVD itself has nothing terrible to fear, nobody is going to alter it. But enemies of the current internal affairs minister will try to exploit the furor over the "Shilov case" and other similar cases in order to remove Viktor Yerin from his post....

We will very soon find out how events are going to develop further.

Security Ministries Deny 'Confrontation'

PM1105154594 Moscow ROSSIYSKAYA GAZETA in Russian 12 May 94 First Edition p 2

[Statement by Public Relations Centers of Russian Federal Counterintelligence Service and Ministry of Internal Affairs: "There Is No 'War of Monsters'"]

[Text] Certain mass media have recently been disseminating—as a rule, with references to unofficial sources—various kinds of information about an alleged exposure of a criminal group of high-ranking Russian MVD [Ministry of Internal Affairs] staffers, which, according to the conclusions of these mass media, attests to some confrontation between the FCS [Federal Counterintelligence Service] (KGB) and the MVD.

In this connection the Public Relations Centers of the Russian FCS and MVD officially declare that, following a transfer of a large amount of currency, the FCS detained an internal service major, a former employee of the Moscow Oblast Administration Internal Affairs Main Administration Punishment Execution Administration (dismissed in April 1994), and a major of justice, a senior investigator of the Russian MVD Investigative Committee. These persons have now been arrested and charged under Article 88 (violation of regulations on currency operations), Article 170 (abuse of official position), and Article 174, Part 1 (giving a bribe) of the Russian Federation Criminal Code. An attorney's office staffer has also been arrested on a charge of committing a crime covered by Article 174, Part 1 of the Criminal Code. The criminal case which has been instituted has been forwarded for investigation to the Russian Federation General Prosecutor's Office. All three were charged 6 May. No leading employee of the Russian MVD is involved in this case.

The Russian FCS and MVD deem it necessary to draw attention to the fact that operational-investigative measures and investigative actions relating to this case are being carried out in cooperation with the MVD. This is the usual practice in such instances. The position of the Russian FCS and MVD leadership with regard to cases of corruption and official and other crimes committed by staffers of organs subordinate to them is well known and boils down to their resolute eradication. Questions of the reliability and purity of personnel and of their own security are topical for the whole law-enforcement system. For counterintelligence and internal affairs organs participation in exposing and stopping corruption—not only in law-enforcement organs but also in other state structures—constitutes the fulfillment of their immediate duties and functions of ensuring national security defined by current legislation. Coordination of the efforts of law-enforcement organs and special services and direct interaction and close cooperation between internal affairs and counterintelligence organs are a very important condition and an obligatory and natural element of successful operational-investigative work, particularly in the struggle against the most dangerous crimes. MVD and FCS staffers have recently carried out a number of successful joint operations which have ended the activities of many dangerous criminal groupings which were engaged in the illegal dissemination of drugs, weapons, and contraband antiques. Positive results have been obtained as a result of carrying out the comprehensive "Putina," "Tral," and "Arsenal" operations.

In this connection the Public Relations Centers of the Russian FCS and MVD believe that the dissemination of fabrications about a confrontation or "war of monsters" between the FCS and the MVD should be regarded as a provocation harmful to the common cause of combatting crime and corruption and ensuring the security of the individual, society, and the state.

Anti-Zhirinovskiy Articles Series Criticized

PM1105130594 Moscow ROSSIYSKIYE VESTI in Russian 11 May 94 p 2

[Article by Viktor Novoseltsev, executive director of the newspaper PRAVDA ZHIRINOVSKOGO: "What Lies Behind Mr. Navrozov's 'Superarticle?'"]

[Text] In his very long article entitled "Vladimir Zhirinovskiy, Super-Hitler and Super-Stalin?" in ROSSIYSKIYE VESTI nos. 71-73 for 20-22 April this year, Mr. Navrozov invites all those who want to to enter into polemics in order to "smash them to smithereens." Responding to this call, I spent a long time rereading this accumulation of stories in order to get a hold on something about which I could argue. The "superarticle" was indeed a slow read, you had to concentrate in order to grasp the real reasons why the article was written—reasons abundantly flooded with dirty "water." And the reasons were quite understandable: Mr. Kozlovskiy, who praises Zhirinovskiy both moderately and immoderately, has become popular in the United States, where Mr. Navrozov obviously considers himself to be the sole expresser of Russian thinking. Which is why he was "smashed to smithereens" by the famous author who has "published over 200 articles in 14 Russian publications."

The ROSSIYSKIYE VESTI editorial office asked V. Zhirinovskiy "to put his counterarguments and arguments" in the newspaper but if the party's leader were to "counterargue" and "argue" in the pages of all newspapers in which the authors of such "studies" pour dirt on him, he would need at least 30 hours of strenuous work a day. That would be a good gift for our political rivals.

Mr. Navrozov undoubtedly considers himself a specialist in everything which concerns the LDPR [Liberal Democratic Party of Russia] and its leader, but it is very strange that in his accusations he relies on "a publication with the charming name 'Off With Their Heads' ['k toporu']." That publication has never been an LDPR organ and was published by former LDPR member S. Zharikov, who left the party because of his extreme right-wing convictions. That publication has never had anything to do with the LDPR. If Mr. Navrozov had really been seeking the truth he would have found it in his own home in the United States in the "Viktor Kamkin" bookstore, well known to all emigres. The store regularly sells the newspaper PRAVDA ZHIRINOVSKOGO, the official organ of the LDPR. If the "specialist on our issue" wants to dig through our old publications we will be pleased to offer him a full selection of our newspaper's issues, which do not contain a line calling for war or racial or national hatred. Only the truth.

It is strange that Mr. Navrozov has decided to publish his article in Russia. If it had been published in the United States and had frightened the Americans the aim sought by the author would have been achieved 100 percent. Another wave of hatred and fear would have been stirred up. But what is the aim of the author in publishing in Russia an article which contains not a trace of anguish for the hungry and humiliated citizens of that country, in which each line contains concern only for citizens of Jewish nationality? That article will produce nothing but another wave of ordinary anti-Semitism and if that was the author's main purpose he can consider it achieved.

The LDPR's program and its leader's statements do not contain a hint of discrimination against citizens for ethnic reasons, on the contrary the program declares "the right to preserve traditions and customs, to develop one's own ethnic culture and freedom of religion." That is what Zhirinovskiy is blamed for. It turns out that Hitler too failed to warn the Jews he would destroy them. Forgive me, but what then of the presumption of innocence? Mr. Navrozov condemns Zhirinovskiy for intentions he has not voiced, guided solely by his own convictions formed from reading some dubious publications which have nothing in common with the LDPR. Proceeding from that principle one can accuse any party and any leader of criminal intentions, seeking dubious analogies in our history. What the author calls "the threat to the West" is called in the language of international relations a policy from a position of strength and was used by the United States in Grenada, Panama, and Cuba, and today under the UN flag the United States is pursuing this same policy the author finds unacceptable in Somalia and Yugoslavia. Zhirinovskiy merely expressed an intention, but the United States is already pursuing that policy, yet the author is more frightened by Zhirinovskiy's intentions than by the U.S. Government's specific actions.

Zhirinovskiy does not intend to "destroy the West" or to fight it. It will be enough for our party if the West interferes less in our strictly domestic affairs, especially since "specialists" like Mr. Navrozov are turning to us more frequently with their advice, thanks to which we are in our present situation.

All accusations of chauvinism, nazism, and the desire for world dominance are unfounded. It is simply foolish to accuse Zhirinovskiy of seeking world dominance. In each of his speeches and publications the LDPR leader accuses the United States of this desire and expresses himself in favor of regional cooperation between countries in order to rule out global military conflicts and criticizes the former USSR leadership for attempting to extend its influence to the whole world, which was one reason for the state's collapse.

The author's opinions on the "superfluidity" of Zhirinovskiy's thinking are surprising. It is very rash of him to accuse the LDPR leader of being disloyal to his ideas or statements. In Russia today Zhirinovskiy is one of the few party leaders, if not the only party leader, not to have changed his position by a single degree in four years. His tactics of struggle change, conditions change, the state is collapsing, former comrades in arms are shooting each other, political leaders are changing color more often than trees in the course of a year, but the LDPR is prepared to put its name to every document which has emerged from the party's nether regions in this time. What place is there here for the lack of principle of which the author tries to accuse Zhirinovskiy?

The "appeal to the officers and employees of the special services and special subunits of the counterintelligence organs and Internal Affairs Ministry." Mr. Navrozov

explains it as a call to compile lists of people to be destroyed, although the document made no mention of any "destruction" but merely contained an appeal to uncover the criminals who are robbing our people and to do their immediate job of eradicating crime, and retribution in accordance with the law will come for today's mafiosi only after the LDPR has come to power, because of the present leadership's inability to fight this evil. Any patriot will support this appeal and it can only frighten Mr. Navrozov's friends, the "new emigres" who are flocking into defenseless Russia in order, under the guise of "U.S. businessmen," to catch a free fish in Russia's murky waters. The freeloading will soon end for them and they will have to answer to the U.S. tax administration.

The notorious article devoted a lot of room to the problem of selling arms abroad. Nothing about hunger in Russia, nothing about the Russian children who are not being born today, nothing about our destroyed economy, but a lot of space devoted to the problem of arms sales. It is true that our weapons are better than the Americans'. For the time being. And we will sell them, and if we do not then the Americans will and it will be the worse for us, but Navrozov will feel better. And there is no point in arguing about whether there will be money from arms sales. If we do not sell arms there will be no money and the military industry will wither away. Not bad thing for those who are paying Mr. Navrozov money for his articles.

And the transatlantic journalist completely disconcerted me with his conclusion: The Russian press, he says, writes good things about Zhirinovskiy and does not write bad things because it is mortally afraid of that gentleman. That's the limit. If Zhirinovskiy were to set himself the task of simply reading all the dirty articles about him published in the Russian press he would have not time even to wash, let alone to work. Yes, some people do write the truth, but they are few even in the provinces where a conscience has not yet become a source of laughter. Moscow journalists cannot allow themselves that luxury. As for our "red-brown" press, as the authors puts it, we are indeed make efforts not through fear but for the sake of our conscience, the only thing is that under the present regime this is difficult in the face of the "yellow" press.

Mr. Navrozov from the height of his moral position complained that the word "dictatorship" which sounds like the word "slavery" to Americans is an ordinary word to Russian ears, but he has forgotten to add that U.S. democracy found its feet by relying for a whole century on the forced labor of slaves. The fine articles of their constitution did not prevent the democratic Americans from using people with a different color skin as work animals. The American path of development is unacceptable to Russia, we do not intend to rob other peoples by exporting cheap raw material from underdeveloped countries in exchange for chewing gum, and the Americans would not allow us to do so, realizing that two such parasitical states will not survive on one earth. The best option for the United States is a weak Russia mining its own mineral resources for U.S. needs and for that to happen the United States needs to "keep" its own man in the Kremlin, but if Zhirinovskiy gets there....

Mr. Navrozov's article is correct. For the Americans. It was for them that he wrote it.

In approaching one more subject which, in my opinion, seems the main one in the article I am criticizing, you cannot help feeling awkward. In Russia you can openly call the Russians cattle and Russia a land of fools (or the motherland of goats, as MOSKOVSKIY KOMSOMOLETS did) if you are a citizen of another nationality but god forbid that a Russian say anything prejudiced about a person of another nationality. You will immediately be known as a fascist. And dragged through the courts. So Russians are tying themselves into knots in their own country, thinking up terms like "persons of a criminal (or commercial) nationality."

Our party is in favor of full equality for people irrespective of sexual, racial, ethnic, or religious differences, but for that we must first of all give Russians equal rights wit regard to other ethnic groups. We must abandon the double standards for treating ethnic groups, we must allow Russians to rid themselves of their occupiers' complex. After all, we were not the ones who killed Indian children to acquire their ancestors'land, we were not the ones who used Africans as working animals. We worked on the outskirts of the empire in the same way and perhaps even better than others and we deserve equal rights with other peoples living on the same land as us.

The aim of Navrozov's article is not only to discredit Zhirinovskiy. The topic of Zhirinovskiy is only the tip of the iceberg. The author persistently puffs up the Jewish topic, dividing the world into Jews and non-Jews. Presenting the fascist challenge banner to the Russian people, he is convinced this banner will never fly over a zionist movement thanks to the enormous harm done to the Jewish nation by German national-socialism. Yet far more Russians were killed in that war! A double standard again? We should all know the description of national-socialism adopted in Germany today: "National-socialism is the determination of a person's nationality on the basis of his blood." In that connection what do the Jews' attempts to "accuse" Zhirinovskiy of being a Jew look like? And in general what is the purpose of this whole campaign? To prove that such a talented man could only appear in a Jewish environment or, by using ordinary anti-Semitism, to turn Russian voters away from a leader they do not like? Both purposes are undoubtedly vile and in addition are a very clear example of double-dyed national-socialism of the German type.

The charge leveled against Mr. Kozlovskiy that "in a good 20 years in the West he never once spoke of his national origin" is also loathsome. From that it follows that a Jew who does not advertize his nationality is

violating some special Jewish laws while a Russian who asserts that he is Russian is transgressing some other Jewish laws. The double standard once again, and it stinks.

Somehow it is unseemly even to mention the literary worth of this article. Reading Navrozov is harder than listening to Gorbachev. I feel very sorry for our emigres who encounter this kind of thing in "Russian" newspapers. I want to advise Mr. Navrozov not to take the trouble to paraphrase Russian sayings. The saying "the elder tree is in the yard and uncle is in Kiev" of itself signifies the meaningless nature of what has been said and does not require the interference of "specialists," and nor indeed does anything concerning our domestic life.

Population Falls by 300,000 Over Past Year

LD1105161094 Moscow ITAR-TASS in English 1523 GMT 11 May 94

[By unidentified ITAR-TASS correspondent]

[Text] Moscow May 11 TASS—The population of Russia, which presently numbers 148.4 million, is steadily decreasing. Over the past year, it fell by 300,000 people.

According to the State Statistics Committee, this trend is revealed in the country's 49 regions accounting for over 60 per cent of Russia's entire population. The decline was especially marked last year in the Chukchiy autonomous district, the Magadan and Kamchat regions, where is ranged from four to nine per cent. Demographers see the main reason for it in a sharp decrease in the birth rate, with the death rate continuously growing. Thus, the birth rate shrank by 220,000 people, while the death rate increased by 330,000. The situation is even more alarming in northwestern Russia and in most of the central regions, where the death rate exceeded the birth one by 2 to 2.4 times. At the moment, the former indicator is less than the latter one only in North Caucasian republics, the Chukchiy autonomous district and in the Tyumen region.

Experts note that the natural decrease in population is to a certain degree compensated for by ever increasing migration. Inter- state migration nearly doubled over the past year and reached a post-war high of 430,000 people. It is noteworthy that almost two thirds of the country's territories accepted migrants. The inflow of migrants to such areas as the central black-earth region, the Krasnodar territory, the Rostov and Oryol regions exceeded by three times the average level across Russia. At the same time, the population outflow from the Chukchiy and Kamchat peninsulas, the Sakhalin island, the Chechen and Ingush Republics remained quite intensive.

Russia's Radio Longwave Transmissions To Cease

LD1105084494 Moscow Radio Rossii Network in Russian 0800 GMT 11 May 94

[Text] At 1400 today, the Ministry of Communications reports, the transmitter relaying Russia's radio on 261 kH on the longwave will be switched off. This has been caused by an unpaid electricity bill. It is not for the first time that the problem of payments has emerged. It is not the company's debt which is at issue; the funds have not been provided from the state budget. The Government is intending to consider, in the nearest future, the problem of state radio and television—specifically volumes of broadcasting and necessary funding.

We do regret, on our part, that our listeners will be unable to listen to Russia's Radio on its usual frequency, due to the fact that these problems are as yet unresolved.

Economic Issues

Unemployment Rises by 250,000 This Year

LD1105111294 Moscow ITAR-TASS in English 1051 GMT 11 May 94

[By BUSINESS-TASS correspondent Oleg Deyneko]

[Text] Moscow May 11 TASS—The number of officially registered unemployed has gone up in Russia by 250,000 people since the beginning of the year, BUSINESS-TASS learned from the Russian Economics Ministry on Wednesday.

A total of 1.4 million jobless people have applied for help at the employment service. 1.1 million of them were registered as unemployed and 80 per cent of them receive the dole.

The number of people who have been unemployed for more than four months running comprises 56 per cent of the total, according to the ministry. The figure was 42 per cent in the first quarter of 1993.

Number of Economic Crimes Increases in 1994

LD1205104994 Moscow Mayak Radio Network in Russian 0605 GMT 12 May 94

[Text] Since the beginning of the year, 48,403 crimes have been uncovered in the Russian economic sphere, which is 16 percent more than in the same period last year, the chief directorate on economic crime of the Russian Federation Interior Ministry has reported.

Experts point out the rising trend in violations of rules on currency operations. These have increased by almost 150 percent, and number 3,800 cases. Most crimes of this kind concern illegal operations with hard currency and precious metals and stones.

As usual, the biggest increase among economic crimes is in crimes linked with the manufacture and sale of counterfeit money and securities.

Russia Reduces Volume of Foreign Credits

LD1105151294 Moscow INTERFAX in English 1347 GMT 11 May 94

[Text] During 1992 Russia received 10.5 billion dollars in the form of foreign credits allotted by different countries, banks and companies. Among Russia's biggest creditors are Germany (4.5 billion dollars), the US (1.8 billion dollars), Italy (1.05 billion dollars) and France (554 million dollars).

This information was given in a paper circulated among the State Duma deputies on Wednesday. Today the State Duma will consider the draft law on state foreign borrowings on the part of Russia and on state credits given to Russia by foreign countries and on the upper limit of foreign borrowings and credits which may be granted to Russia by a foreign country in 1994.

The paper underlined that the total sum of the received credits had been reduced to 4.46 billion dollars during 1993. Germany remained the biggest creditor (2.4 billion dollars). France had second place with 680 million dollars. The US was the third biggest creditor - 671 million dollars. Italy was the fourth - with 228 million dollars.

During this year Russia expects to receive 2.8 billion in foreign credits, including 850 million dollars from Germany, 525 million dollars from Italy, 485 million dollars from the US, 350 million dollars from Japan. Great Britain will allot 190 million dollars, the EEC 150 million dollars and France 85 million dollars.

In 1993 the foreign credits were distributed among different sectors of the Russian economy as follows: the agriculture and the food industry received 2.02 billion dollars; industry - 817 million dollars; the transport and communications 724 million dollars; the municipal economy and environment 482 million dollars and the medical industry 295 million dollars. A total of 120 million dollars were spent on purchasing medicine.

In 1994 the foreign credits are expected to be distributed as following: the agriculture and the food industry will receive 490 million dollars; industry - 1.97 billion dollars; the transport and communications - 450 million dollars; the municipal economy and environment - 140 million dollars and the medical industry - 280 million dollars. A total of 370 million dollars will be spent on purchasing medicine.

Another paper cited the terms of credits allotted by the former USSR and Russia to India, Cuba, Algeria and Pakistan. For instance, India was allotted 830 million dollars in 1992 for the delivery of Russian "special property" and services. The term of the credit in 1994-1995 proceeds from a 5 pct-annual rate. Repayment of the credit by India provides for a ten pct-advanced payment. A total of 90 pct of the sum will be repaid over seven years through the delivery of goods from India.

In accordance with the agreement on economic and technical cooperation between Russia and Cuba signed in July 1993, Cuba received 350 million dollars under a 4 pct-annual rate. The credit is to be paid in 1993-1995. Cuba must pay the credit through goods deliveries over 10 years.

Government To Pay $4.7 Billion in Foreign Debts

LD1105173494 Moscow ITAR-TASS in English 1541 GMT 11 May 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow May 11 TASS—The Russian Government said Russia will pay 4.7 billion U.S. dollars as part of its foreign debt payments in 1994.

The State Duma adopted a law on Wednesday allowing the government to borrow as much in order to keep the balance and grant not more than 400 million dollars in credits to other countries.

Aleksandr Zhukov, one of the authors of the law, said this will be enough to finish facilities in foreign countries, the construction of which has been suspended.

Central Bank Spends $1 Billion on Currency Interventions

LD1105151694 Moscow INTERFAX in English 1347 GMT 11 May 94

[Text] The volume of currency interventions carried out by the Central Bank of Russia during the first quarter of 1994 was a little more than one billion dollars. This was announced to the Financial Information Agency by sources in the Central Bank of Russia today.

The same source said that initially the sum of currency interventions by the bank had exceeded the total volume. However, by the end of the quarter the Central Bank of Russia bought back a part of the hard currency on the currency market.

Currently, the Central Bank of Russia is pursuing a moderately tough policy aimed at lessening the fluctuations of the dollar, the source pointed out. The same source suggested that more energetic or decreased influence on the currency market was determined mostly by economic reasons and the exchange rate of the dollar.

In early 1994 the Central Bank of Russia officially stated that during the first three weeks in January it had spent more than one billion dollars for currency interventions. According to the Central Bank of Russia, the total volume of its currency resources sold on six Russian stock exchanges last year was 14.7 billion dollars (2.8 billion dollars in 1992). For late 1993 the resources of the Central Bank of Russia amounted to 4.4 billion dollars. At that moment the currency resources of Russian commercial banks were put at 12 billion dollars.

Chairperson of the Central Bank of Russia, Viktor Gerashchenko, announced during the parliamentary hearings in the State Duma that the bank planned to increase its currency resources from 4.5 billion dollars to 9.5 billion dollars by the end of 1994. He stressed that the bank had begun to carry out moderate interventions on currency market instead of the intensive ones. Thus, the Central Bank of Russia intends to lessen the difference between the inflation rate and the exchange rate of the U.S. dollar on the stock exchanges.

Small Arms Exempted From Export Levies

PM1105104794 Moscow ROSSIYSKAYA GAZETA in Russian 11 May 94 First Edition p 4

[Decree No. 411 of the Russian Federation Government "On Partially Amending Russian Federation Council of Ministers-Government Decree No. 1103 Dated 30 October 1993," dated Moscow, 29 April 1994 and signed by Russian Federation Government Chairman V. Chernomyrdin]

[Text] By way of partial amendment to Russian Federation Council of Ministers-Government Decree No. 1103 "On Establishing Rates of Customs Export Duties and a List of Goods to Which They Are To Be Applied," dated 30 October 1993, the Russian Federation Council of Ministers-Government resolves:

1. To agree to the proposal put forward by the Russian Federation Ministry of Finance, the Russian Federation Ministry of Foreign Economic Relations, the Russian Federation Ministry of Economics, and the Russian Federation State Customs Committee, which has also been coordinated with the Russian Federation State Committee on the Defense Sectors of Industry, to partially amend the rates of customs export duties established by Decree No. 1103 of the Russian Federation Council of Ministers-Government dated 30 October 1993 (SBORNIK AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII 1993, No. 1103, p. 4340) in accordance with the appendix.

2. To extend Paragraph 1 of Russian Federation Council of Ministers-Government Decree No. 1103 dated 30 October 1993 to the rates of customs export duties indicated in Paragraph 1 of the present decree.

[Signed] Russian Federation Government Chairman V. Chernomyrdin

Appendix
Rates of Customs Export Duties

Foreign Economic Activity Commodity List Coding	Short Name of Commodity	Rate of Customs Duty (in ECU's per 1,000 kg or as a percentage of customs value)
From 930200	Revolvers and sports pistols	Duty Free

Increased Revenue From Lower Customs Duties Mooted

PM1105145594 Moscow IZVESTIYA in Russian 11 May 94 p 2

[Ivan Zhagel report: "Increased Revenue From Customs Duties Proposed While Reducing Their Scale"]

[Text] The government has made significant adjustments to the revenue items in the amplified draft budget which has been submitted to the Duma. In particular, it is planned to increase the receipts from export and import duties to 8.6 trillion rubles [R], whereas they were R6.2 trillion in the previous draft.

Everyone still remembers the struggle waged over customs duties this year. At first the government intended to introduce new customs duties in January, then a special decree was adopted 10 March on this question, which proposed to increase import duties no later than 15 March. In the end, under pressure from the public and from businessmen, the government admitted that the issue had not been dealt with very well, and there followed a further postponement of the deadline for introducing the new duties—1 July.

Naturally, the size of duties on a number of groups of commodities must also be reexamined or amplified, and, on the basis of the logic of the entire previous discussion of this question, revised downward. However, as follows from the latest draft budget, a reduction in the rates of import duties is lead...to an increase in payments into the budget to the tune of R2.4 trillion.

Incidentally, when sending the government the draft budget for further work, the Duma also insisted on increasing revenue from import duties. But, as Mikhail Zadornov, chairman of the Duma Committee for the Budget, Taxes, Banks, and Finances, said, this will be done not by increasing the rates, but as a result of abolishing a huge number of duty exemptions on imports which were previously handed out indiscriminately.

Incidentally, M. Zadornov cited some very interesting figures. Thus, in accordance with the memorandum on economic policy recently signed by the government and the Central Bank, it is planned to restrict the average rate of duties to a level of 15 percent. Naturally the Ministry of Finance, as part of the government, is also guided by this figure. However, realistically speaking, in the latest draft budget, when calculating revenue from import customs duties, the Ministry of Finance was proceeding on the basis of an average rate of 3.6 percent. That is, an enormous number of exemptions for imports are being cut, as well as the allowance being made for the situation whereby people are simply going to avoid making the required payments. Therefore a reduction in customs rates plus the abolition of various exemptions may have a significant positive effect.

The abolition of exemptions on imports may degenerate into protectionism for our sectoral monopolies, for

instance, automobile manufacturers and producers of agricultural output. Therefore, while repealing the exemptions, it is important on the other hand to restrict the maximum rates of import customs duties by legislation. And here the fact that the Committee for the Budget, Taxes, Banks, and Finances is preparing a change in the Law on Customs tariffs which, according to M. Zadornov, will establish the upper limit for rates at 20-30 percent, cannot fail to be encouraging. And if the government wants to exceed this level, then a special decision will be required from the legislators.

Figures on Transport, Communications in First Quarter

LD1105164594 Moscow ECONOMIC NEWS AGENCY in Russian 1300 GMT 11 May 94

[Text] According to the Russian Economy Ministry, passenger use of public transport in the first quarter of this year decreased to 113.5 billion passengers, or by 8.7 passenger-kilometers (by 7 percent) in comparison with the same period last year. The passenger use has decreased on all types of transport, with rail transport by 10 percent, air transport by 9.4 percent, and road transport by 2.5 percent.

Experts believe that the decline in transport use is caused by price rises on rail and air transport that are ahead of people's ability to pay.

In the first quarter railway freight transport has gone down by 22 percent and totalled 36.7 million tonnes.

Maritime freight transport has seen a decrease of 4 million tonnes, or 19.7 percent, mainly caused by a decrease of 16 percent of the total number of available vessels. Another reason for the decrease in maritime transport is the fact that there was no imported grain and there was a drop of 47 percent in freight transport to the Far North and areas of equal status.

Road transport accounted for 166 million tonnes of freight, which is 122 million tonnes, or 40 percent less than during the same period last year.

The volume of freight transported by air was 95,000 tonnes, or 22 percent less than in the first quarter of last year.

Public Warned of Risks in Buying Securities

PM1105150794 Moscow ROSSIYSKAYA GAZETA in Russian 11 May 94 First Edition p 1

["Russian Federation Finance Ministry Appeal to Russian Federation Citizens: Beware of Speculators"]

[Text] A critical situation has currently formed in the securities market, whereby dishonest entrepreneurs are exploiting the population's lack of experience in matters of acquiring securities and the imperfect nature of legislation and are, to their own selfish ends, getting rich for no good reason on other people's money and undermining the population's trust in honest participants in the securities market. With the aim of protecting the interests of investors and ensuring the normal functioning of the securities market, the Russian Federation Finance Ministry proposes that all interested citizens should follow the following recommendations in buying and selling securities:

1. First of all, gather as much information as possible about who is issuing the securities you intend to buy (that is, the issuer).

If they are being issued by a bank or a credit institution, then find out how long it has been functioning, what its authorized capital is, and what types of banking operations it has a license for.

2. Make sure that the securities are state-registered, and study carefully the prospectus for the issue of securities registered by the financial organs.

3. Never trust advertisements. You can only make a decision to invest your money in securities on the basis of a comprehensive analysis of the securities issue prospectus, the accounts and the nature of the activity of the issuer, and the general situation in the market where the issuer in question is working.

4. When concluding security deals, only use the services of professional participants in the securities market (investment institutions which have the appropriate licenses).

5. Make sure that the seller is the owner of the securities or an employee of an owner of the securities. If the seller of securities is operating on the instructions of the owner of the securities (on the basis of a commission contract or a contract of agency), then he should be an employee of an investment institution and have a first-category certificate of qualification (that is, you must demand a photocopy of the license granting the right to conduct activity as an investment institution and a photocopy of the first-category qualification certificate).

6. It is recommended that deals concerning the purchase and sale of securities are drawn up in the form of a written contract in which the following must be determined: the procedure for transactions on the deal, the procedure for entering a new owner in the shareholders' register, the procedure for paying taxes on transactions involving securities, and so on.

7. Register the deal at an investment institution, bank, or with the issuer from whom you are buying the securities.

8. As practice shows, the investment of funds in bills of exchange and granting loans by concluding loan contracts are the most risky at present. You do not need any state registration, nor do you need special permission (licenses) in order to issue bills of exchange and conclude loan contracts, and that is precisely why these financial instruments are most often used by dishonest entrepreneurs with the aim of deceiving the population. At the

same time, as a rule neither the issuer of the bill of exchange nor the borrower reveals any information about his financial position or type of activity in the loan contract. Remember that, when you conclude a loan contract, you are entering into a civil-legal relationship with the borrower and, in the event of a conflict, you can only defend your interests via a court. The specific nature of a bill of exchange is such that the absence of even one obligatory element makes it invalid. If you are not familiar with the rules of composing bills of exchange, the circulation of bills, and civil legislation, do not invest money in these financial instruments, regardless of the high interest rates you may be promised.

If you do decide to buy bills of exchange, then you should know that the most reliable are the bills of exchange of major banks and banking syndicates.

9. Remember that investing money in non-state securities practically always involves risk. The fact that the securities you are buying have passed through state registration is no guarantee that the funds you have invested will be returned, or of the reliability and profitability of these securities. The basic axiom for investment activity in the securities market states that, the higher the profitability of the security, the greater the risk of investing in such a security.

10. Do not give in to general trends of investing your money at an interest rate which exceeds the average market interest rate many times over.

Remember that the founders of joint stock companies are answerable to other shareholders only within the limits of personal contributions to the authorized capital. Investments in joint stock companies with a small authorized capital and a declared issue exceeding the authorized capital thousands and millions of times over are extremely risky.

Military & Nuclear Issues

Basis for START II Ratification Viewed

PM1105144594 Moscow ROSSIYSKIYE VESTI in Russian 11 May 94 p 5

[Concluding part of two-part article by Vasiliy Krivokhizha, deputy director of the Russian Institute for Strategic Research: "Future of the Russian Nuclear Potential"]

[Text] When it comes to discussing the necessary number of nuclear munitions in the strategic force structure, most Russian military specialists (and this is confirmed, incidentally, by very numerous research models of the new strategic situation) agree that the number of 3,000-3,500 warheads set by the START II Treaty is enough for Russia to deter any aggressor with a retaliatory strike, even more so with a counterstrike. As for the counterforce potential of Russia's strategic nuclear forces, at 3,000-3,500 warheads, as previously at 10,000-13,000 warheads (initial level) or 5,000-6,000 warheads (START I Treaty), it is indeed far less than that of the U.S. strategic nuclear forces.

The change in the structure of Russia's strategic nuclear "triad" is a most important aspect of the START II Treaty and has far-reaching consequences. At a time of strategic offensive arms cuts, the question of shaping the optimum structure for the nuclear "triad" that Russia will have at its disposal in the early 21st century acquires particular significance.

Approximately 60 percent of Russia's nuclear might (number of warheads) is currently concentrated in silo-based ground-launched or road- and rail-mobile ICBM's, 30 percent is on missile-carrying submarines, and 10 percent is carried by strategic aviation. The U.S. nuclear "triad" currently looks as follows: 25 percent ground-launched ICBM's (silos only), 55 percent submarine-launched ballistic missiles, and 20 percent free-fall bombs and all types of cruise missiles. In accordance with the average figures laid down by the START II Treaty, by the year 2003 both sides will have approximately the following structure in their strategic nuclear forces—15-30 percent ground-launched ICBM's, 50-55 percent on submarines, and 15-35 percent on aircraft. As, for instance, Academician R.A. Golosov of the Russian Federation Academy of Natural Sciences and certain other specialists claim, the United States will in practice retain the existing correlation of strategic nuclear forces within the "triad" framework, whereas Russia will be forced to sharply alter the structure of its nuclear "triad," weakening its main component—ground-launched strategic weapons. In R.A. Golosov's opinion, implementation of the treaty will damage the country's interests from both the military-strategic and economic viewpoints. From these standpoints the START II Treaty can be seen as inequitable and as failing to ensure equality in counterforce potential, thereby not promoting the maintenance of strategic stability in relations between Russia and the United States.

It is no secret that implementation of the START II Treaty will indeed leave the U.S. side with a number of advantages—specifically in counterforce potential. But this situation also existed in the past, and has not been eliminated by any of the previous treaties, including START I. A positive aspect of the new treaty is that it creates conditions under which the U.S. interest in building up its counterforce potential is significantly diminished both by reducing the number of U.S. warheads capable of hitting defended precision targets, and by Russia's reducing the number of targets on its territory which would have been most attractive to a counterforce strike—primarily, heavy ICBM's. The Russian side is also reducing its counterforce potential, since it too will pledge to eliminate a certain number of missiles with the ability to strike defended targets and with the possible ability, in the U.S. side's opinion, to be used in a first strike.

From the standpoint of the prospects for the nuclear disarmament process there is a clear possibility in the very near future for a further change to the structure of the nuclear "triad" which could be initiated—for various reasons—by both the U.S. and Russian sides. Leading Russian specialists in the strategic stability sphere and experienced military diplomats are, in particular, not ruling out the emergence of a U.S. proposal for a further stage of disarmament, comprising further cuts in or the total elimination of ground-launched missiles. This proposal has some attractive reasoning behind it. We understand, for instance, that first counterstrike missiles would be targeted exclusively on naval and air bases and other important military installations and would pose less of a threat (by excluding the Strategic Rocket Forces) of destroying civilians and land ecosystems. But this step is unacceptable to Russia because of the qualitative superiority of the U.S. naval component over the Russian naval component (as already mentioned above). Consequently, Russia needs to retain its land-based component—that is, the Strategic Rocket Forces. With a view to equalizing the combat survivability [ustoychivost] of Russian and U.S. strategic submarines—which would enhance overall strategic stability—it would be expedient for Russia to propose to conclude an agreement with the United States to restrict ASW systems along the lines of the ABM Treaty.

In connection with a number of articles in recent months it would be a good idea to talk separately about the need to preserve such a component of the Strategic Rocket Forces' ground-based grouping as mobile missile systems. Since Russia is allowed to increase the number of these installations under the START II Treaty, these are the systems that have been particularly "under fire" from the media.

The concern felt by the people writing these critical articles for the fate of Russia's strategic nuclear arms is entirely understandable. Nonetheless, I would like to object to many of the points raised in these articles.

The usual argument cited in disputes by supporters of the complete retention of silo-based ICBM's is the claim that a missile in a silo that can be prepared for firing in the space of one minute and has protection up to 100 kg per square centimeter is a more reliable weapon than a mobile missile that takes on average around an hour to prepare for firing and is protected up to 1 kg per square centimeter.

We should dwell on these figures. The accuracy of modern missile systems is such that a silo-based missile with a protection level of 100 kg per square centimeter (the silo's coordinates will be known) is guaranteed (with a probability of close to 100 percent) to be hit by a single megaton-class nuclear munition. According to the research done by relevant Russian Federation Defense Ministry organizations (arguments in the newspapers never usually worry about checking if their results were correct or their methodology appropriate), in order to hit a single road-mobile missile system an enemy would have to use more than 10 such nuclear munitions to cover the entire potential deployment region (position area). A mobile system's survivability is ensured not only by the size of the position area, but also by choosing terrain with the requisite camouflage and protective qualities, and by camouflaging the system itself—something that people often forget to take into account. Modern mobile systems can travel over roadless terrain and not merely, as is often claimed, on metaled roads—in other words, they are not just "road"-mobile. Road-mobile systems are only "vulnerable" to a surprise "nuclear strike" by U.S. submarines when the mobile systems are at their garrisons, as U.S. President George Bush insisted during the negotiations. But even in this instance, if there were a rise in tension in the world—and much more so if there were a threat of nuclear attack—road-mobile systems could be moved out of their garrisons into their combat position areas. Consequently, the survivability of mobile systems is not lower but actually considerably higher than that of silo-based systems.

In this connection it would seem logical to give up silo-based missiles. But if the launch command (for a counterstrike on our part) were given in good time, the silo-based missiles would escape an enemy strike thanks to their high level of combat readiness—in other words, the missiles would leave the silos before the impact of the nuclear explosion of enemy warheads came into play. This, needless to say, is if it proved possible to carry out a counterstrike. If not, then this is yet another argument in favor of mobile systems. Moreover, mobile systems allow for different basing modes [formiruyut mnogovariantnost], which strengthens deterrence. Admittedly, silo-based missiles require less expenditure than mobile missiles—they are more resistant to sabotage and to the use of precision nonnuclear weapons. But why do we need to view one basing mode as an alternative to another? The optimum structure for the Strategic Rocket Forces, ensuring reliable deterrence under different strategic situations with different amounts of economic and material expenditure, is to combine silo-based and road-mobile missile systems, which it is planned to preserve within the Strategic Rocket Forces after 2003—provided, of course, that financial considerations do not alter the situation.

The view that "it is not difficult to knock out a mobile system" and that it would take overpressure of only 4-5 kilopascals to topple one over is known to be incorrect. Overpressure of 4-5 kilopascals (0.04-0.05 kg per square centimeter) in a nuclear shock wave propagated through the air merely corresponds to a mass airflow velocity of around 40 km/hour. Such a small level of overpressure poses a threat only to glass windows. Overpressure an order of magnitude (more than 10 times) greater would be needed in the nuclear shock wave propagated through the air in order to topple a road-mobile transporter-erector-launcher and its missile, and then only if the nuclear munition exploded precisely at right-angles to the launcher, rather than at an acute target angle [tochno na traverze ustanovki, a ne na ostrykh kursovykh

uglakh]. This pressure in the shock wave corresponds to a gas flow velocity of more than 300 km/hour.

It is interesting to note that in the late eighties the official U.S. position at the START talks boiled down to a bilateral ban on the deployment of mobile land-based strategic missile systems. This was due to the U.S. side's doubts about the ability of national means of verification to detect the deployment of these missiles and by the special approach taken by Congress—for a whole host of reasons—toward approval of the program for the development [sozdaniye] of mobile missile systems in the United States. But, first and foremost, the U.S. position was due to the U.S. reluctance to see an overall improvement in the combat survivability of the USSR's strategic nuclear forces (this was not a major problem for the United States itself because of the existence of a powerful and, to all intents and purposes, equally "mobile" sea-based component in its strategic nuclear forces).

Ultimately, the U.S. position shifted in favor of an agreement to the deployment of single-warhead road-mobile missile systems, on condition that measures were implemented to verify the number of deployed missiles in this class and, by agreement, the number of such missiles by type—which was to all intents and purposes carried out under the START II Treaty.

Here we can note that criticism and a continual desire to argue have become part and parcel of our political life. This is natural for our life today, but we need—at least in some measure—to retain our consistency and objectivity. Otherwise we will find ourselves in a situation where a U.S. agreement to mobile systems will cause justifiable suspicion about their motives from some of our experts, while a failure to agree on their part will produce no less justifiable doubts from other experts as regards the competence of the Russian delegation to the talks. We can also note the contradictory nature of the approaches taken by the Americans. When the official U.S. position was to ban road-mobile missile systems, a group of U.S. experts drew up some very noteworthy recommendations for their delegation members:

—since mobility is the most effective means of enhancing the survivability of strategic missiles during a nuclear first strike, the negotiations with the Russians should not raise the question of a total ban on them, leaving open the possibility of the United States' developing this component for the land-based grouping of its strategic nuclear forces;

—under no circumstances should a situation be created in which the combat survivability of road-mobile missile systems is even slightly diminished as a result of demands to allow the sides access to accurate information on their deployment and on the observance of the treaty restrictions on the number of land-based mobile missiles. It was thought sufficient to stipulate merely the term, acceptable to both sides, of "cautious" on-site inspections and the utilization of national means of verification, provided that the side undergoing inspection retains all the advantages relating to the difficulty of determining the precise location of the missiles at any specific time.

In conclusion, I would like to note that we can already make a confident forecast about the existence of different approaches to the way in which the treaty will be seen by deputies, different factions, Defense Ministry representatives, and so forth. Obviously, there is a desire on the part of many military experts as a whole to assess the treaty as a relatively isolated phenomenon in international life and to look only at its military-strategic and military-political aspects. At the same time, the attitude taken by the corps of deputies to the START II Treaty will reveal a closer linkage with Russia's domestic life and with the voters' direct interests—and this attitude, despite the extensive discussion of the treaty's provisions in the press, has not yet been finally formulated. It is likely that in the course of preparations for the START II ratification hearings, the corps of deputies will demand that the problems relating to the multifaceted and, perhaps, contradictory impact of the START II Treaty's implementation on the development of the political, economic, and social processes under way in Russia be clarified.

Attention will most probably be fixed on issues such as the reasons for the positive assessment of the treaty (and even, in a number of cases, the lobbying for it) by representatives of the military-industrial complex and the professional military; the correlation between the treaty's provisions and the emergent system of new state policy and our sphere of national interests; the treaty's impact on the pace and direction of scientific and technical progress in Russia, on the elaboration of new advanced technology, on the implementation of our national space program, and on the closure or adaptation [rasformirovaniye ili pereprofilirovaniye] of existing military educational establishments; the economic and environmental consequences for specific regions, the cost of implementation, and so forth. The corps of deputies will only take an objective view of the ratification of the START II Treaty if issues of interest to a wide range of the Russian population—rather than just those to which military specialists and diplomats are trying to restrict themselves—are discussed. Thus, the range of problems which it will be necessary and sufficient to resolve in order to reach a decision on the treaty remains very vague and is tending to expand.

The emergent situation and the increased distrust of "departmental" views which the new Duma may follow the Supreme Soviet in expressing are in line with the realities of political life in Russia, will be transient (as the experience of other countries shows), and will focus attention yet again on the need to improve expert assessment of the decisionmaking process within the framework of the formation of our new democratic institutions.

At the same time, in purely military terms it is clear that, in order to reliably deter any aggressor, it will be necessary to preserve the triad in the structure of Russia's strategic nuclear forces (the Strategic Rocket Forces plus sea-launched and air-launched strategic nuclear systems) and a rational structure for the Strategic Rocket Forces—silo-based and road-mobile missile systems. Only this kind of structure will be able to have the requisite combat readiness, survivability, and military flexibility with the optimum financial expenditure in the foreseeable future. The expenditure point is of no little importance to Russia. The switch to a dyad (Strategic Rocket Forces plus sea-launched strategic nuclear forces or some other combination) is for Russia—and this cannot be said of the United States—unjustifiable for economic and efficiency reasons. Moreover, statements about a dyad are, as a rule, restricted to the most general arguments and are not backed up by any kind of serious calculations.

Russia's main task in the context of strategic offensive arms reduction is to further improve its strategic nuclear forces, not least as regards enhancing the operational safety of aviation missile systems. If the START II Treaty is ratified and the structure and components of our strategic nuclear forces are improved, Russia will have a sufficient deterrent potential and will not be left "defenseless in the face of the threat of nuclear blackmail." A necessary condition for this is the implementation of an armaments and military hardware development program that meets the demands of Russia's military doctrine, the present-day political and strategic situation in the world, and the real level of military danger to our country. Only in this event will the Russian eagle be able to hang on to its nuclear sword, which plays a key role in protecting Russia's national interests and actual integrity—at least until such time as the economy and domestic stability become effective components in our national might.

Military To Receive More Funds Irrespective of Budget

PM1205082994 Moscow IZVESTIYA in Russian 12 May 94 p 2

[Mikhail Berger article: "When the Military Wants To Seize the Treasury, It Needs Neither Tanks Nor Special-Purpose Troops. One Mercedes Is Sufficient"]

[Text] It became known Tuesday evening that the Russian president had agreed to the proposal by the State Duma Defense Committee to increase defense spending this year to 55 trillion rubles [R]. This committee's proposals, sent to the premier, bear the endorsement of Boris Yeltsin: "I deem it expedient to agree."

As is known, the figure of R37.1 trillion for defense features in all the versions of the government draft, including the one submitted once again to the Duma for discussion 11 May. Back at the beginning of March, when the sum of the proposed military spending became known, the military department together with the military-industrial complex mounted an extensive campaign for the radical revision of that figure. Upward, naturally.

Until very recently, however, the military was losing this war for money. Blackmail by military industrialists, who had declared at the beginning of March that such a budget would lead to the closure of 3,000 enterprises in the military-industrial complex, failed to make the expected impression. Pavel Grachev's March memorandum to Boris Yeltsin had no direct consequences, although, according to the newspaper SEGODNYA, it gained the president's endorsement: "I share the defense minister's concern."

Two months later—two months which the military lobby, to all appearances, did not waste—there came a series of conferences of interested persons and departments in this regard. They culminated in a discussion of the problem with Yuriy Baturin, the president's assistant for national security. Everyone there naturally claimed that national security demands a sharp increase in defense spending.

Two months ago the military's appetite extended to R80 trillion. Given the total budget expenditure planned at the time of R183 trillion, this meant that almost 44 percent of all state spending would go on defense.

It should be pointed out that even high-ranking nonmilitary experts in the government were speaking of the unrealistically low level of defense spending planned for this year. Their chief argument was that the sector of the economy associated with defense cannot be cut back as fast as the whole of the rest of the country's economy.

The maintenance of personnel (wages, clothing allowance, etc.) accounts for the lion's share of the expenditure. This part cannot be sharply reduced for the very reason that an officer being transferred to the reserve must receive 20 times his monthly salary and other benefits, which add up to a tidy sum. In such a situation it is cheaper for the Ministry of Defense to maintain the military than to reduce it.

There are grounds for believing that the chief internal spring of the military's financial activeness is the fact that it has ALREADY PLACED THE DEFENSE ORDER FOR 1994 IN THE SUM OF R28.3 TRILLION, WHILE THE EXISTING BUDGET GIVES IT NO MORE THAN R5.5 TRILLION FOR THIS

At the last conference with Baturin the chief opponent of the military lobby (ex officio, at least)—Andrey Astakhov, deputy minister of finance—showed sympathy toward the sphere which he supervises. He said that it is necessary to add to the military's money, but within the limits of the overall figures for state expenditure already defined.

There are no grounds for doubting that only the first part of the deputy minister's sentence will be taken on board.

True, the new figure for military spending remains just a project at present. Acting Finance Minister Sergey Dubinin's telephone conversation with the premier on this subject, which took place Wednesday morning, did not turn this proposal into the government's position, but neither did it cancel it out.

If the military succeeds in seeing this operation to seize the treasury through to its logical end, it will receive 28 percent of all the state expenditure in the present budget or almost half of the budget's actually expected income. The existing draft budget allocates 20 percent of expenditure to defense.

Knowledgeable people in the government say that if parliament approves a 50-percent increase in military spending, it will be practically impossible to avoid allocating this money, regardless of actual income. It will be sufficient for Grachev's Mercedes to drive peacefully into the Kremlin. A very tough instruction to the Ministry of Finance follows after every such drive: Allocate money! Money will be allocated even if this takes half the treasury's money, even if Russia is left a country with the largest number of servicemen per head of the civilian population.

Military Court Confirms Terekhov Dismissal

LD1105175294 Moscow ITAR-TASS in English 1646 GMT 11 May 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow May 11 TASS—Moscow's Military Court confirmed on Wednesday that the dismissal of Colonel Stanislav Terekhov from the army was legal.

Terekhov was sacked on September 23, 1993 by Russian Defence Minister Pavel Grachev for violation of the contract and disobeying his commanders, ITAR-TASS learnt from sources close to the Defence Ministry.

Terekhov, who is also chairman of the Union of Army Officers, was detained on charges of plotting an attack on the headquarters of CIS united armed forces after President Boris Yeltsin dissolved the parliament last autumn and has been in custody since then.

Terekhov did not deny the charges, but said he was against using guns. He was released under amnesty earlier this year.

Additionally, Terekhov is charged with participation in May Day riots in 1993 which killed one and injured dozens of people.

Civil Defense Exercises Begin in North Caucasus

PM1105155194 Moscow ROSSIYSKAYA GAZETA in Russian 11 May 94 First Edition p 1

[Report from ROSSIYSKAYA GAZETA and ITAR-TASS column under the "Yesterday, Today, Tomorrow" rubric: "Command and Staff Exercises"]

[Text] Command and staff exercises for [rehearsing] command and control of manpower and resources of the Russian Ministry for Civil Defense, Emergencies, and Natural Disasters in eliminating the consequences of natural disasters began on the territory of the North Caucasus yesterday.

Civil defense troops and the ministry's central airmobile detachment and search and rescue subunits are taking part in them.

Finland Group Inspects in Leningrad Military District

MK1105150094 Moscow KRASNAYA ZVEZDA in Russian 11 May 94 p 3

[Unattributed report: "Inspection Carried Out"]

[Text] On 2 May, the Government of Finland turned to the Government of the Russian Federation with a request, in line with the provision of the Vienna 1992 document on confidence-building measures and security, to carry out an inspection on the territory of Leningrad Military District in the area of Alakurtti, Plyarnyye Zori, Primorskiy, and Selkyalya.

The Russian Federation Defense Ministry Information and Press Directorate reports that the Finnish side's request has been met. On 4 May, a Finnish inspection group comprising four representatives of Finland's Armed Forces arrived in the designated area where it conducted an inspection over 48 hours.

Severodvinsk Nuclear Submarine Construction Delayed

MK1105154094 Moscow KRASNAYA ZVEZDA in Russian 11 May 94 p 2

[Own correspondent Vladimir Gundarov report from Severodvinsk under the "In Brief" rubric: "At Present, Ships Are Also Born in Pain"]

[Text] The creation of the "Severodvinsk" nuclear-powered submarine—KRASNAYA ZVEZDA reported the laying of its keel in late December—has entailed painstaking efforts from the first days of building work. The shipbuilders are not satisfied with the quality of design documents, which, according to specialists, can bear no criticism. This is not the sole reason for wrecking the timetable of work on the building stocks, however. According to M. Zhukov, who is responsible for commissioning the ship, the main reason are undersupplies of metal and steel work because "Sevmashpredpriyatiye" [Severodvinsk Engineering Enterprise] does not have money to pay to supplier plants in advance.

Smolensk AES Signs Cooperation Accord With Belarus

MK1105151094 Moscow PRAVDA in Russian 11 May 94 p 1

[Viktor Artemenko report from Smolensk: "Smolensk 'Electric Bulb' in Belarus Homes"]

[Text] It is a pleasant and rare occasion considering the days we live in—a five-year treaty of cooperation between the Smolensk AES [Atomic Electric Power Station) and the Belorussian [Belarus] Energy Ministry has been signed.

The document envisions mutually advantageous terms of technical and material assistance, and the provision of scientific and technical information.

This event was preceded by another, no less important event—a 750-kilovolt power transmission line originating at the "Belorusskaya" substation at the Smolensk AES was put in operation.

The 750-kilovolt power transmission line was constructed jointly by builders and operation personnel of Smolensk's Desnogorsk and of Belorussia. A large group of builders and operation personnel of the Smolensk AES were awarded certificates of honor of Belorussia's Supreme Soviet and the Ministry of Power Engineering for this successful work.

Defense Industry Trade Union Plans Protest Action

MK1205073094 Moscow NEZAVISIMAYA GAZETA in Russian 12 May 94 p 2

[RIA report under the "In Brief" rubric]

[Text] Moscow—On 9 June, enterprises of the Russian defense complex will halt the output of civilian products and consumer goods for five to ten minutes, and will accompany this action by blowing their sirens. A decision to this effect has been made by the Central Council of the sectoral trade union in support of the initiative of "defense workers" of Novosibirsk, Vladimir, Kirov, Moscow, and a number of other oblasts. "We hope to impress the government, which continues to ignore the needs of the sector's working people," said the union leader Sergey Shuklin. Simultaneously, he intimated, it was suggested that work collectives discuss at the rallies, meetings, and conferences whether it is wise to go over to the extreme form of protest—a strike. In Shuklin's words, military-industrial complex working people "do not demand any subsidies or privileges, and only insist on the most essential thing—to be paid on time and to keep their jobs."

Nuclear-Powered Cruiser To Be Completed Next Year

PM1205101794 Moscow NTV in Russian 1800 GMT 21 Apr 94

[From the "Today" newscast: Report from the Baltiyskiy Zavod shipyard in St. Petersburg on cruiser Petr Velikiy by Sergey Dedukh and Vladimir Spirenkov]

[Text] Despite defense budget cuts and the decline of the arms industry, Russia continues to build warships. An NTV camera team was able to visit the Baltiyskiy Zavod shipyard in St. Petersburg where the nuclear cruiser Petr Velikiy is being built—the biggest surface ship currently under construction in Russia. Until now no TV company has managed to visit this ship, although interest remains high.

The building of the cruiser Petr Velikiy—a giant ship and a unique technological creation—began in 1988. After the unfinished ship was launched, difficulties with funding set in. For some 18 months the cruiser and its builders waited for their fate to be decided.

In his day, [Tsar] Peter I encouraged merchants to form guilds which then built ships with their own resources. The Ministry of Defense cannot resort to such simple solutions. Major banks were invited to furnish the funds for the ship which is to become the pride of the Russian Navy. But the present-day financiers showed no interest in this project. The money was nonetheless found, and construction and finishing operations are to be completed by the fall of next year. The Defense Ministry leadership regards the Petr Velikiy as a priority project.

[Andrey Kokoshin, Russian Federation first deputy defense minister] The Armed Forces need this ship, and so does the country, despite the difficult situation it is in. Even in this difficult situation the country cannot permit such unique creations to remain unfinished.

[Unidentified correspondent] The Petr Velikiy is the latest modification in a series of four similar ships. The cruiser is nuclear-powered. And these are the tubes for launching cruise missiles. Apart from them the cruiser will be armed with large-caliber guns, torpedoes, and anti-aircraft guns and will be able to carry two helicopters. The cruiser will have a crew of 780, most of whom are already taking part in building the ship. The workers, who have carried on working even after their pay was no longer forthcoming, are promising that the St. Andrew's flag will be hoisted on the Petr Velikiy in September of next year in time for the celebrations of the 300th anniversary of the Russian Navy. It is envisaged that the cruiser will serve in the Pacific.

Apart from Russia, only the United States has ships of this kind.

Sergey Dedukh and Vladimir Spirenko reporting for NTV from St. Petersburg.

Plane Fueled by 'Cryogenic Gas' Given Go-Ahead

PM1105151594 Moscow ROSSIYSKAYA GAZETA in Russian 11 May 94 First Edition p 4

[Russian Federation Government Decree No. 368, signed by Government Chairman V. Chernomyrdin and dated 23 April 1994: "On the Development of the Tu-156 Passenger Airliner with NK-89 Cryogenic Gas-Powered Engines"]

[Text] With a view to developing economical and environmentally friendly air transport, the Russian Federation Government decrees that:

1. The proposal from the A.N. Tupolev Aviation Scientific and Technical Complex and Samara's "Trud" State Science and Production Enterprise, coordinated with the Russian Federation State Committee for the Defense Sectors of Industry, the Russian Federation Ministry of Transport, the Russian Federation Ministry of Fuel and Energy, and the "Gazprom" Russian Joint-Stock Company, on the development in 1997 of the Tu-156 cargo and passenger aircraft with NK-89 cryogenic gas-powered engines (the basic performance of which is given in the appendix) and of ground services to ensure its operation shall be accepted.

2. The Russian Federation State Committee for the Defense Sectors of Industry shall ensure:

the production of three Tu-156's in 1997 at the A.N. Tupolev Aviation Scientific and Technical Complex and the Samara Aviation Production Association, the completion of certification testing for these aircraft, and their handover under the established procedure to the Russian Federation Ministry of Transport for trial operations;

the elaboration and manufacture at Samara's "Trud" State Science and Production Enterprise and the Kazan Engine Construction Association of 12 experimental NK-89 engines and the completion of their state certification testing in 1997;

the manufacture at Samara's "Progress" Production Association of six sets of cryogenic systems for the Tu-156's within a set time frame;

the development at the General Machine Building Design Bureau in 1996 of airfield services to refuel the Tu-156's with cryogenic gas fuel at the Moscow air region's "Ramenskoye" and "Domodedovo" airfields and at Ukhta Airport.

3. The Russian Federation State Committee for the Defense Sectors of Industry, the Russian Federation Ministry of Transport, the "Gazprom" Russian Joint-Stock Company, and the Interstate Aviation Committee shall elaborate and ratify within three months a timetable for the work to develop and certify the Tu-156 and the ground services to ensure its operation.

4. The "Gazprom" Russian Joint-Stock Company's proposal to ensure production of cryogenic gas fuel in Ukhta in 1996 and to develop ground services to ensure the operation of the Tu-156 using this fuel at Samara Airport in 1997 shall be accepted.

5. The work to develop the Tu-156's, the NK-89 engines, and the ground services to ensure operation of the Tu-156 shall be financed out of federal budget funds allocated to the Russian Federation State Committee for the Defense Sectors of Industry for the implementation of the Federal Program for the Development of Russia's Civil Aviation Technology up to the Year 2000.

The Russian Federation Ministry of Economics and the Russian Federation Finance Ministry shall envisage the allocation in 1994-1995 of the necessary amounts of state centralized capital investment to purchase for the A.N. Tupolev Aviation Scientific and Technical Complex three Tu-154M aircraft configured as agreed and 12 NK-8-2u engines, including in 1994 one Tu-154M and three NK-8-2u engines, to be subsequently reequipped as Tu-156 aircraft and NK-89 engines.

6. The Russian Federation Ministry of Economics and the Russian Federation Finance Ministry shall envisage the allocation in 1994 to the Russian Federation Ministry of Fuel and Energy's "SG-trans" State Enterprise of a preferential investment credit to complete construction of an installation to produce cryogenic gas fuel at the Moscow Gas Processing Plant in order to supply this fuel to the Moscow air region's "Ramenskoye" and "Domodedovo" airfields.

[Signed] V. Chernomyrdin, chairman of the Russian Federation Government
[Dated] Moscow, 23 April 1994
No. 368

Appendix

Basic Performance of the Tu-156 Cargo and Passenger Aircraft
Maximum takeoff weight—100 tonnes.
Maximum commercial payload—14.6 tonnes.
Practical range with maximum commercial payload—3,450 km.
Takeoff run—2,500 meters.
Fuel burn at technical range with maximum payload—400 grams/tonne-kilometer.

Sunken Sub Not Endangering Fishing Industry

LD1205103294 Moscow Radio Rossii Network in Russian 0900 GMT 12 May 94

[Text] At the present time there is no evidence whatsoever to suggest that the leaking of corrosive products and plutonium-239 from the torpedo warheads on board the Komsomolets atomic submarine could do any significant harm to the fishing industry of countries fishing in the Norwegian and Barents seas. This conclusion is contained in a report by experts of the State Ecological Commission of Russia's Ministry for Environmental Protection and Natural Resources. The experts say that,

even if the most pessimistic forecasts prove correct, the dose which could be received by man if the plutonium escapes into the environment is significantly less than the annual permissible maximum which the human body can absorb. The conclusions of the expert commission were released by the press center of Russia's Ministry for Natural Resources.

Federal Assembly

Reportage on State Duma Budget Bill Debate

Duma Examines 'Updated' Figures

PM1205085794 Moscow IZVESTIYA in Russian 12 May 94 p 2

[Report by Valeriy Konovalov: "Agriculture Reaps Money Harvest in Parliament"]

[Text] The Russian State Duma deputies returned to the discussion of the draft federal budget for this year on 11 May. A significantly updated document was submitted for their perusal following the work done on it by the government commission in conjunction with representatives of Duma committees. As a result the parameters of the proposed budget underwent rather major alterations.

Finance Minister Sergey Dubinin told deputies that the amendments amount to increases in the expenditure and revenue parts of the budget. But the proportions have significantly shifted in the direction of increased expenditure.

It is envisaged that budget revenue will now increase by 3,776.5 billion rubles [R] and will thus be R124,477 billion. Where will it come from? Primarily from the 1 July change in customs duties and corresponding change in value-added tax. The tax collected specifically for the needs of the agro-industrial complex and coal industry is to increase by a little over R1 trillion. Revenue will also be swelled as a result of duty changes and increased revenue from privatization. As we can see, all these sources are rather problematic, and the implementation of them will depend on many factors.

As for expenditure, the situation is far more definite. This part will certainly be implemented. The plan is for expenditure to increase by R10,188.3 billion. That will make it R193,324 billion. As a result the budget deficit will rise from R62 trillion to R68.847 trillion, constituting 9.5 percent of gross domestic product.

What is the increase in state expenditure? The lion's share goes to the agro-industrial complex. As Sergey Dubinin explained, a solution has been found which will not have serious inflationary consequences, since the increased budget appropriations will be accompanied by reduced Central Bank credits for the countryside. The components of the Federation will be allocated more than R5 trillion on a repayment basis to give agricultural producers advances and to purchase products. Moreover, the agro-industrial complex will be allocated more than R2 trillion from the budget for other purposes.

There is yet another item on which more budget money will be spent—social and cultural needs. An extra R968.4 billion is to be allocated for this purpose. Nearly half of it will go to the media, mainly television and radio. An extra R345 billion is to be allocated for the purchase of drugs.

According to the minister, the protracted examination of the budget was a lesson for the government and for parliament, so the intention is to submit the draft budget for next year to the deputies by September.

Adopts Draft Law on Federal Budget

LD1105122294 Moscow ITAR-TASS in English 1108 GMT 11 May 94

[By BUSINESS-TASS]

[Text] Moscow May 11 TASS—The State Duma has adopted in the first reading a draft law on federal budget.

Under the law, federal budgetary expenditures were endorsed at 193.3 trillion roubles and revenues - at 124.4 trillion roubles.

The top limit of the budget deficit was established to reach the amount equivalent to 35.6 per cent of budgetary expenditures for the current year.

Chernomyrdin Calls for Balanced Budget

LD1105125794 Moscow ITAR-TASS in English 1220 GMT 11 May 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow May 11 TASS—Chairman of the Russian Government, Viktor Chernomyrdin, believes that only a strictly balanced budget can mobilize the market. A statement to this effect was made by the Russian prime minister on Wednesday as he addressed lawmakers of the State Duma during debates on a draft law on the state budget for 1994.

According to Chernomyrdin, the suggested figures of budgetary expenditures and revenues and the budget deficit envisaged by the draft law and insisted upon by the Russian Government will enable to keep inflation rates under control.

If the suggested federal budget is not approved by the State Duma as soon as possible, the Government will be devoid of starting points necessary for the formation of its economic policy. If the Duma approves of key figures of the state budget, Russian lawmakers jointly with the Government will be able to finalize the draft in a calm and orderly way, redistribute funds and decide "where to channel extra funds and at whose expense," Chernomyrdin said.

Defense Budget Undecided

LD1105144494 Moscow ITAR-TASS World Service in Russian 1407 GMT 11 May 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow, 11 May—Today's State Duma debate on the defense budget has been marked by sharp exchanges, and the final figure for Russia's military expenditure has not yet been defined, ITAR-TASS was told by Colonel General Vasiliy Vorobev, head of the Defense Ministry's Military Budget and Finance Main Directorate. He said the difference between the sum being requested and the sum on offer is so great that the armed forces' continued existence is at stake. For example, the Russian Defense Ministry is asking for 87 trillion rubles, while the Ministry of Finance is insisting on allocating just 37 trillion rubles.

According to the Defense Ministry, the Finance Ministry has pared spending on the military to the bone. Arrears have been run up on all major expenditure items. The military is now in the position of having insufficient funds, not only to pay salaries, but also to buy food and equipment and to pay its bills. Lengthy delays in issuing servicemen's pay packets are now routine.

State Duma Passes Law on Foreign Debt, Credits

LD1105193994 Moscow INTERFAX in English 1618 GMT 11 May 94

[Text] The State Duma passed a federal law on state foreign debts and Russia's credits granted to foreign states in the first hearing Wednesday.

The draft law provides for an annual setting by a federal law of the maximum volume of credits used within a fiscal year and representing part of Russia's foreign debt. The maximum volume of foreign loans taken by the state shall not exceed the annual volume of payments in service and repayment of Russia's foreign debt.

The draft law envisions that Russia's international treaties on state loans and Russia's state credits to foreign states are subject to ratification whenever they exceed 100 million dollars.

The State Duma also passed a federal law on the maximum volume of state loans and Russia's state credits to foreign states in 1994 Wednesday.

According to the law, the maximum volume of Russia's loans in 1994 is set at 4.7 billion dollars, while Russia's credits to foreign states in 1994 at 400 million dollars.

The two federal laws were sent for consideration by the Federation Council, the upper house of the Russian parliament.

Duma Examines Yeltsin Remarks on Deputy Status Law

LD1205100594 Moscow ITAR-TASS in English 0854 GMT 12 May 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow May 12 TASS—The Russian State Duma began examining President Yeltsin's remarks on the Duma deputy status law. The Duma part of the Russian parliament's Conciliation Commission was formed today. It is headed by vice-Speaker of the State Duma Valentin Kovalev. The commission also include the authors of the law—Chairman of the Duma Organisational Committee Vladimir Bauer, his deputy Igor Shichanin, and also members of the Duma Committee for Legisaltion professors of law Viktor Vishnyakov and Oleg Mironov.

"The commission has already begun its work," Valentin Kovalev told ITAR-TASS. Asked when it will be completed, he replied that "quite a few subtle constitutional and legislative problems have cropped up". Kovalev noted that "all this process is most extraordinary, because the president recommends the State Duma to suspend the action of several norms". He recalled that "the procedure for such a suspension was not envisaged by the constitutional legislation. This is why the Duma is confronted with several extremely difficult problems affecting its reaction to the letter even though it is most favourably disposed towards it".

Kovalev said that "it was first of all necessary to solve several procedural matters, in other words to establish our competence to suspend these norms and then to get down to the crux of the matter". He stressed that a solution would be found within the frameworks of the Conciliation Commission, which will "satisfy the Council of the Federation, the State Duma, and the president".

Kovalev said that the president's remarks were "quite extensive" and included almost six typewritten pages.

Government Presidium Begins Examining Civil Defense Bill

LD1205084394 Moscow ITAR-TASS in English 0755 GMT 12 May 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow May 12 TASS—A regular meeting of the Russian Government's Presidium, currently under way here, began with the examination of the bill "on civil defence". The meeting is chaired by Prime Minister Viktor Chenomyrdin.

After that the ministers will discuss the draft land code of Russia. Moreover, the Cabinet will hear reports on the drafts of two federal programmes—to modernise the single system of air traffic in the Russian Federation for

the period of up to 2005 and on a target programme for 1994-1997 to protect Russian territories from the penetration and spreading of infectious diseases, which are particularly dangerous for human beings, animals and plants, and also of toxic substances.

Duma Instability Seen as Part of Pattern

PM1105114794 Moscow IZVESTIYA in Russian 11 MAy 94 pp 1, 4

[Sergey Chugayev report: "Ivan Rybkin Is Opposition's New Target"]

[Text] Judging by the information emerging from the State Duma, the first plenary session to be held in that parliamentary chamber's new building—the former building of the Ministry of the Economy—on 11 May has every chance of returning us to the atmosphere of parliamentary political crisis so characteristic of the former Russian Federation Supreme Soviet.

This time the speaker of the chamber, Ivan Rybkin, could become the victim of a showdown among deputies. The opposition seems to have begun seriously to consider putting into effect the threat voiced at the last plenary session by Deputy S. Baburin to examine the State Duma chairman's personal file if he went ahead and signed the Treaty on Social Accord. Ivan Rybkin, as people will know, ignored the threats and signed the treaty, and it is to be supposed that the revenge of the former comrades in arms of the Russian Unity bloc will not be long in coming, particularly as the speaker has long caused acute irritation to the majority of left-wing factions by his desire to cooperate with the executive branch and his firm refusal to play a Khasbulatov role in the Duma.

If the "Rybkin personal file" is put on the agenda, the Duma chairman could be placed in a pretty difficult position. Deputy Baburin's initiative will not, of course, be supported by the right-wing factions—Russia's Choice, Yabloko [the Yavlinskiy bloc], the 12 December group, or the majority of centrists—the members of the Party of Russian Unity and Accord [PRES], Women of Russia, and New Regional Policy factions.

There is no reason to expect unity in the left-wing section in the Duma hall of sessions either. The Agrarians, who will be asked to oppose their own nominee, will find themselves in a difficult position. And the already small Democratic Party of Russia [DPR] faction has been split since its leader, N. Travkin, joined the government. So only the Communist Party of the Russian Federation [CPRF] faction and the small Russian Path group of deputies are consistent and firm opponents of Rybkin.

Much could be resolved here by the stance of the Liberal Democratic Party of Russia [LDPR]. From a superficial standpoint it would be illogical for Zhirinovskiy to oppose a fellow signatory of the treaty. However, it cannot be ruled out that the Liberal Democrat faction will form a bloc with the Communists on this occasion. Admittedly, this will only happen in the event of a guarantee that the vacated speaker's chair goes, for example, to A. Vengerovskiy, first deputy chairman of the LDPR and deputy chairman of the Duma. However, it is difficult to imagine the Communists and the members of Russian Path agreeing to pay such a price for Rybkin's resignation.

A far greater threat to the State Duma chairman is posed not by the configuration of forces in this chamber of parliament but by the theoretical possibility of a revision of the results of the election for speaker. As you will recall, Rybkin scraped a majority. Moreover, dubious ballot slips, which were deemed invalid, were discovered when the ballot boxes were opened. Many contentious issues also remain over the determination of the quorum for voting. All this gives grounds for questioning the legitimacy of Rybkin's election. And here the opposition could gain allies in the shape of a number of radical deputies from right-wing factions.

All this clamor raised over the figure of Ivan Rybkin—the first person in the history of contemporary Russian parliamentarianism to have tried to turn parliament from a political club into a genuine legislative body—shows very graphically that periods of political stability in Russia's life remain of short duration, lasting as a rule less than a month. The pattern here is obvious. And there is scarcely any point in seeking the cause of the latest potential minicrisis solely in the spoiling tactics of Deputy Baburin and like-minded individuals from the Accord for Russia movement. It is difficult to expect political stability in a country with an unstable economy.

This latest, expected spiral in political tension coincides to perfection with the advent of a new stage of economic crisis in Russia. Our home-produced consumer goods have begun to lose out in price to imported goods. In the opinion of leading economists in the country, the domestic economy is already in a crisis of overproduction. The first reaction to this was the demands at the start of the year to increase import duties.

The political forces existing in Russia today propose two ways out of this situation: either a drive to solve the nonpayments crisis by the classic method—through the bankruptcy of enterprises—or reversion to a closed economy. This, of course, is to protect home producers. The first path is long and hard. To start moving along it you need at least six months in order to prepare the legislative base—to change, in particular, the Law on Enterprises, to introduce laws on bills of exchange and bankruptcy, to seek a solution to the problem of the depressed regions, and to do much, much more besides. On the other hand, if Russia does manage to complete this path, real grounds will emerge for discussing the possibility of genuine stability not just in the economy but in politics too.

Recent actions by the president indicate that he has decided to go in precisely this direction and has opted to pursue this path toward an open economy for at least two years.

At the same time there is a real prospect that uncompetitive economic structures will unite, their main demand being a restoration of the closed economy. The military-industrial complex is seen as the undisputed leader here. Its financial potential and links with the power structures and the special services could turn such an amalgamation into a powerful force—and not just a political force. And the longer Russia takes to overcome the crisis, the greater this force's chances of winning victory, even by unconstitutional means, will be. The strengthening of imperialist and nationalist motifs in the policy of various parties reflects this trend.

Ultimately the question comes down to whether the president and government will manage to extricate the country from crisis by the next presidential election.

There are grounds for thinking that at the current stage of development of the political situation in Russia the president sees his main task as inducing the opposition to operate solely within the constitutional framework and thereby avoiding another threat of a putsch or coup, because since 12 December the opposition, contesting the president on the constitutional field, has been unable to pose any special danger to him. The campaign launched to collect signatures in favor of the Treaty on Civil Accord, which is designed to consolidate the president's constitutional role, is, I think, primarily linked to this.

Both in August '91 and last October Boris Yeltsin was victorious, not because he relied on the law (regrettably we cannot talk about respect for the law and legal standards in Russia today), but solely thanks to the support of the people. However, as the results of the elections to local organs of power show, this support does not appear unconditional today. The people are withdrawing from politics. The president is forced to rely more and more on the political and state nonmenklatura.

The diplomatic domestic political activity demonstrated by Boris Yeltsin in recent days—the unpublicized renewal of contacts with Yu. Skokov, leader of the military-industrial complex, and the appointment of N. Travkin to the government—stems, it may be supposed, from awareness of this fact. It is clear that the president is seeking to utilize all levers to prevent any change before 1996 to the strategic economic course, the main threat to which could be posed today by unconstitutional actions on the part of the opposition.

Politicians Consider Motive for Deputy's Murder

PM1105134194 Moscow ROSSIYSKIYE VESTI in Russian 11 May 94 p 6

[Report by Pavel Anokhin: "We Have Crossed Threshold of Political Terrorism"]

[Text] The murder of State Duma deputy Andrey Ayzderdzis is still the focus of attention of Russian society. For all that we are now growing used to reports of contract killings, the crime committed in Khimki looks like a cynical challenge to the state. A number of politicians assess what has happened as an act of political terrorism. We asked several deputies to comment on the story that the parliamentarian's murder was political.

Vladimir Lysenko, cochairman of the Russian Federation Republican Party, "Yabloko" bloc faction:

First of all we must proceed from the fact that it was a man, not a deputy, who was killed. Unfortunately some parliamentarians are using the incident for political purposes. That is hardly sensible. Especially as it is not yet completely clear what lies behind this: a political act or a settling of scores as a result of the dead man's extensive business activity over the past three years...

Aleksandr Osovtsov, "Russia's Choice" faction:

I am sure that the murder is not political. If some forces wanted to destabilize the situation in society by killing one of the deputies, then, bringing to mind only the deceased's good side, I can say that they could have found more important figures....

Vladimir Zhirinovskiy, leader of the Liberal Democratic Party of Russia [LDPR], LDPR faction:

Of course it is a political assassination. It is notable that it was committed on the eve of May Day. When another 10-20 deputies have been put in their graves we will all understand and agree.

Father Gleb Yakunin, "Russia's Choice" faction:

The murder is hardly political. Nonetheless the answer may be learned when the criminal is caught. You say Aleksandr Men was killed and the killer has not yet been found? But it is not only in our country but also in the developed countries, where the law enforcement organs' system works brilliantly, that there are unsolved crimes. It is a pity that Zhirinovskiy is using the incident to build up more hysteria for his own benefit.

Sergey Baburin, leader of the Russian All-National Union:

The question of the state of the struggle against crime and the defense of human rights is serious. In addition to the tragic incident involving Andrey Ayzderdzis there have been many incidents of attacks on deputies and arson at their apartments. Now it is a case of expanding political terror and in addition to ordinary murders there are targeted political crimes. Today we have found ourselves in a qualitatively new situation—we have crossed the threshold of political terrorism. And that is natural since the entire economic activity of the present executive power presupposes the formation of a mafioso-criminal society.

Georgiy Zadonskiy, "Russia's Choice" faction:

The murder of the State Duma deputy is the first tragic case in the present parliament. Several stories are being worked up involving personal, professional, domestic, or

commercial motives on the basis of the figure of the victim himself. So far one thing is clear: It was a premeditated murder.

The incident should serve as grounds for a tough hearing on questions of crime. There are various levels of crime. And where organized crime arises there is a threat to the entire country's national security.

Grigoriy Yavlinskiy, leader of the "Yabloko" bloc and parliamentary faction:

In our view the problems of crime lie in the economic situation in which we find ourselves. Judge for yourselves: We have a production decline of 25 percent and unemployment is just 1 percent. That means that an enormous number of people are involved in business about which the country has only an approximate idea. Some people are working in their private plots but probably most are engaged in illegal or semilegal, criminal, or semicriminal business. And there is also street crime, crime by children, with which the country is not concerned at all. What should we do? The government must earmark a federal program in the budget and show what it intends to do in this direction. Our government has still not set out its economic program in general.

Regional Affairs

Chechen Foreign Ministry Statement

LD1105204194 Moscow INTERFAX in English 1807 GMT 11 May 94

[Text] The Russian leadership continues a policy of blockade and isolation against the Chechen republic, a statement of the Chechen Foreign Ministry transferred to Interfax on Wednesday says.

"For us the fact of forming a delegation led by Vice-Premier Sergey Shakhray for talks with the Chechen republic by resolution of the Russian government dated May 3 is just another step of such a policy," the statement says.

"However in reality this delegation of the Russian Federation turned out to be formed for talks with the leadership of the Chechen opposition who have already arrived in Moscow," the Chechen Foreign Ministry notes. "The will of the Chechen people and efforts of its legitimate president aimed at the settlement of relations with the Russian Federation are ignored once again."

The Chechen Foreign ministry urged all international organizations and the press "to condemn actions by the Russian leadership running contrary to the norms and principles of international law."

Khasbulatov Favors Stabilizing Russian-Chechen Relations

LD1105123394 Moscow INTERFAX in English 1109 GMT 11 May 94

[Text] On May 9 (Victory Day) former Russian Supreme Soviet speaker Ruslan Khasbulatov met Chechen citizens in the mountain village of Benoy (southeastern Chechnya, 100 kilometers away from Groznyy - IF). Interfax learned that more than 20,000 people, including inhabitants of neighboring Dagestan showed up at the rally.

Khasbulatov emphasized the necessity for normalization of relations with Russia. He suggested that this would contribute to stabilization of the situation in Chechnya and would bring positive changes in the lives of the Chechen poor. He stressed that the peoples must not suffer from the ambitions of certain politicians.

A deputy Chechen interior minister who was present at the rally called this an appeal to be within the composition of Russia and urged that there be no speculation on this sensitive issue. Khasbulatov replied that he had just expressed his opinion. "Issues on state relations are not solved during rallies," he remarked.

The Chechen presidential structures told Interfax that the appeal by Khasbulatov had received practically no support.

Former Oblast CPSU Chief Spiridonov Elected Komi President

MK1105100094 Moscow SEGODNYA in Russian 11 May 94 p 2

[Yelena Tregubova report under the "Regions" rubric: "Former Oblast Party Secretary Elected Komi President. Industrial Lobby Proved To Be Stronger than Agricultural One"]

[Text] The presidential elections in the Republic of Komi, which were held 8 May, were won by Yuriy Spiridonov, speaker of the local Supreme Soviet. According to a preliminary tally, Yuriy Spiridonov won 51 percent of the vote. His main rival, Vyacheslav Khudyayev, chairman of the republic's Council of Ministers, garnered 33 percent, the press service of the Komi Supreme Soviet reported.

Political figures in Komi pointed out that Vyacheslav Khudyayev's election drive against Yuriy Spiridonov, former first secretary of the CPSU oblast committee, was actively supported by Veniamin Osipov, former oblast party second secretary. It is so "wide a choice between the first and second secretaries" that prompted the local branch of Democratic Russia to distance itself completely from the election campaign, saying that it will back only "a new, democratic leader when he emerges." Komi communists, who have initially also made a point of distancing themselves from the elections, at the eleventh hour announced their support for Vyacheslav

Khudyayev. Local observers attribute this change to the fact that Mr. Khudyayev "represents the interests of a significant part of the old party and management elite, and also the directors of the state-owned farms." Among local democrats, talk is under way that Vyacheslav Khudyayev, "who has effectively exercised supreme authority in the republic recently, has so energetically lobbied for the interests of Komi state-owned farm directors that he gave local agricultural chiefs 80 percent out of the centralized loans worth 20 billion rubles received recently virtually for free."

Meanwhile, the republic's industrialists, particularly the director of Komineft, the enterprise considered "Komi's main source of money," threw their weight behind Yuriy Spiridonov during the election campaign.

Leonid Zilberg, leader of the local Republican Party, said in a conversation with your SEGODNYA correspondent that he welcomes Yuriy Spiridonov's election to the post of president, "because he at least does not hamper very much the emergence of new entrepreneurial structures and attracts foreign investors to the republic thanks to his connections." The leader of the Republicans thinks that "it is precisely thanks to Spiridonov's efforts that today Komi has the highest investment level in comparison with other regions of the Russian Federation."

Leonid Zilberg believes, however, that "not only economic, but also ethnic leanings of the contenders had a role to play during the election campaign, because Yuriy Spiridonov is a Russian and Vyacheslav Khudyayev is a Komi." In the opinion of the Republican Party chief, "in the end, Spiridonov won the elections because Russians make up the majority of population in the Republic of Komi."

Other party leaders are certain, however, that purely ethnic considerations should not be seen as a "priority" factor for both contenders for the presidency, "because each of them expresses the interests of entirely specific elite groups all the same." It is expected that upon Yuriy Spiridonov's assumption of power his loyal allies—Anatoliy Karakchiyev, administration chief of the city of Syktyvkar, and Vladimir Torlopov, deputy chairman of the Council of Ministers, who are both ethnic Komi—will have the key roles to play in his future cabinet.

Southern Metals Giant Shuts Down for Want of Capital

PM1105113594 Moscow IZVESTIYA in Russian 11 May 94 p 1

[ITAR-TASS report: "Taganrog Metallurgical Plant Halted"]

[Text] The Taganrog Metallurgical Plant, the largest enterprise in southern Russia, closed on Tuesday. It specialized in the production of pipes, mainly for the oil industry.

The main reason for the closure is that consumers owe the plant more than 20 billion rubles for output. The Taganrog plant does not have the means to pay for fuel for the open-hearth furnaces.

Belgorod City Administration Chief Being Replaced

PM1105152594 Moscow ROSSIYSKAYA GAZETA in Russian 11 May 94 First Edition p 1

[Unattributed report under the "Official" rubric]

[Text] By an edict of the Russian Federation president, Yuriy Ivanovich Seliverstov has been released from his post as head of administration of the city of Belgorod in Belgorod Oblast in connection with his election as chairman of Belgorod Oblast Assembly of National Representatives (Point 5 of Article 29 of the Russian Federation Labor Law Code).

The Belgorod Oblast head of administration has been instructed to submit a candidacy for the post of acting head of administration of Belgorod city in Belgorod Oblast within the next seven days.

Semipalatinsk Testing Ground Background Radiation Discussed

LD1105163094 Moscow ITAR-TASS in English 1439 GMT 11 May 94

[By ITAR-TASS correspondent Valentin Pavlov]

[Text] Barnaul May 11 TASS—A three-day session of the Scientific Council of the programme to investigate the "distant radiation after-effects of the Semipalatinsk nuclear tests on the population of Altay territory" began here today.

Invited to take part in it, in addition to the participants of the "Semipalatinsk programme", were scientists from almost 60 research institutes, who have discovered hitherto unknown documents on Soviet nuclear tests, and their opponents.

The participation of the latter, according to Valeriy Kiselev, director of the regional Medico-Ecological Problems Research Institute, is most important, because their views will allow the session to see more clearly the weak points of the programme and to further the ongoing investigations.

As distinct from previous sessions, the current one will work only in plenum, which will allow it to create new conditions for the inter-disciplinary interaction of various specialists: Physicists, chemists, biologists, physicians and social scientists. Such complex studies are most necessary today. After all, Altay, which was affected by more than 58 nuclear blasts in the period from 1949 to 1990, and also by the first explosion of a thermonuclear bomb in August 1953, was turned into a sort of "human survival testing ground". Only the picture of the 1949 explosion was modelled so far. Much

work is yet to be done on the other tests. But the after-effect of Soviet nuclear tests on the Altay population is well known. They are more terrible than those of the Chernobyl disaster, because the local population was exposed not once, but many times over to irradiation with radionuclides with a short period of decay.

The session will analyse in detail the incidence of diseases among the territory's population, which was affected by explosions on the Semipalatinsk testing ground. According to Kiselev, the international scientific community expects from the parties to the programme a thorough analysis of the medical after-effects of nuclear tests, because a massive examination of all the people affected by radiation was carried out for the first time in Altay, which has involuntarily become a sort of research laboratory.

The session will discuss the results of 1993 scientific works and the main directions of further studies. Moreover, it will be an important landmark in the preparations for an international conference on the "radiation test" programme, which will be held in Altay this September.

Northern Border District To Be Set Up in Murmansk

LD1105205294 Moscow INTERFAX in English 1843 GMT 11 May 94

[Text] In the near future a Northern border district will be set up in Murmansk. It will include the territories from the Murmansk region to Chukotka, Governor of the Murmansk region Yevgeniy Komarov said at a conference in Murmansk dedicated to protection of Russia's northern borders.

He said that the border service in the Arctic region is being restructured, taking into account the development of large-scale ties between the Russian Federation, Norway and Finland, and the opening of the Northern sea route for passage of foreign vessels with stops in Russian ports. Besides, the need for the Northern border district is dictated by the increased interest of NATO in Russia's northern borders.

Large-Scale Operation in Far East to Check Foreigners

LD1105085094 Moscow ITAR-TASS in English 0811 GMT 11 May 94

[By ITAR-TASS correspondent Yuriy Grachev]

[Text] Vladivostok May 11 TASS—A large-scale operation, code-named "Foreigner", was launched on the entire maritime territory of the Russian Far East, beginning from 00 hours today. It is being carried out by Interior Ministry forces with the help of procurators, customs officials, and other services.

The main purpose of the operation is to check the observance of Russian residence laws and regulations by foreigners.

It is an open secret that the territory is now overrun by guests from CIS countries and other foreign states. What is more, their numbers can hardly be properly recorded. Many of them come to Russia legally, but then settle here arbitrarily, engaging in poaching, shady businesses, and other not very seemly occupations. Many come to the territory illegally, with forged documents, while some even have no documents at all.

Particularly many foreigners have settled in the Ussuri Taiga, which they are devastating most ruthlessly and impudently. Officials of the territorial interior department hope the operation "Foreigner", expected to last until May 20, will help the foreign guests to "learn the particulars" of the regulations in force and to respect Russia's laws.

Socioeconomic Situation in Far East 'Deteriorating'

LD1205083294 Moscow ITAR-TASS in English 0720 GMT 12 May 94

[By ITAR-TASS correspondent Yuriy Grachev]

[Text] Vladivostok May 12 TASS—It remains to see whether the population of the maritime territory (the Russian far east) will be able to survive next winter. This is how the situation was described by participants of an extraordinary meeting of the Council of the Maritime Trade Union Federation and the Coordination Committee for Joint Actions, which took place here today. The meeting discussed the extraordinary situation in the territory, which is deteriorating with every passing day.

More than one-third of the territory's production capacities have already come to a standstill. The number of unemployed has topped 10,000, according to official figures. Unofficial sources claim their number is five times bigger.

The average monthly cost of a basket of 19 staple foodstuffs now equals to 100,000 rubles in the maritime territory as against 46,000 rubles in the Russian capital and in the rest of the country. According to the most modest estimates, forty per cent of the territory's population are now below the poverty line.

The cost of power-carriers is growing and the sum of default payments has grown to astronomic figures due to this. For instance, the local enterprises owe only "Dalenergo" (far eastern power society) as much as 200 billion rubles. The main power supplier is on the verge of bankruptcy. It has no money even to carry out current repairs and to prepare for the winter season.

The cost of coal has increased. The local consumers were compelled to give up using imported and liquid fuel. The local resources, which have to be regularly augmented,

have diminished to a critical level. The participants of the meeting pointed out that the Russian government, overlooking the region's specific features, was continuing to increase taxes and tariffs on electricity, thereby contributing to the boosting of socio-economic tension in the maritime territory.

The centre's latest instruction to raise the cost of one kilowatt of electricity makes the situation in the territory simply explosive. This view was shared by the heads of urban and district administrations of the territory, executives and managers.

In their opinion, preferential tariffs for electricity should be fixed to pull the maritime territory out of the social, fuel and power crisis. They also called for the territory's inclusion in the list of regions of the far north and application to it of the law on privileges to their population, paid from the federal budget. Moreover, they believe it is necessary to change the taxation system by differentiating it and substantially reducing the taxes on profits, collected from enterprises.

The meeting recommended Vladimir Ignatenko, the presidential representative, to urgently inform Boris Yeltsin on the situation in the maritime territory.

New Mayor Explains Vision for Vladivostok

PM1205084394 Moscow ROSSIYSKAYA GAZETA in Russian 11 May 94 First Edition p 3

[Interview with new mayor of Vladivostok Konstantin Tolstoshein by Valentina Bratchikova; date not given: "Action is What is Needed. How to Create Equilibrium in Vladivostok"]

[Text] Vladivostok—Many will remember the scandal that erupted over the former mayor of Vladivostok, Viktor Cherepkov. Our dialogue with the new mayor, Konstantin Borisovich Tolstoshein, began with an assessment of this situation.

[Bratchikova] Tell me, did it not bother you that people would be doubly prejudiced when assessing your every step? Indeed the psychological background, to be frank, is very complex and the rumor mill tends to compare, to lay it on thick, to look for mercenary intentions....

[Tolstoshein] I am 42. I have managed in my time to work in various leading posts, so I was not particularly seeking power. I also know there is still plenty of life left in my batteries.

Everyone got tired of the endless political wrangling a long time ago. I said as much to my staff when I arrived in city hall: If you want to engage in politics, join parties or movements; what is required of you here is action. What are you missing? Independence? Initiative? Please, take what you want, I'm not going to stop you. But first of all we have to establish equilibrium in the city. We agreed on that.

Things were particularly disgraceful for our veterans and those who had fought in Afghanistan. Practically all the stores in the city had been privatized, but they had simply forgotten about these people, struck them off the list. Justice had to be restored. Ten or so extra retail outlets have been opened for their personal use and we want to win back through the courts the stores that were bought by fraudulent means....

Remember last winter—the city nearly froze to death due to the lack of coal and petroleum products. The city managers, however, were shouting from the housetops: There is enough fuel... To prevent a repetition of this we embarked on preparations for next winter before the arrival of spring.

[Bratchikova] So the economy began to recover swiftly...

[Tolstoshein] Of course, you cannot solve everything in just over a month. But there are areas where we must not delay. For example, the fight against crime. We can increase the staffs of law-enforcement organs, give them more funds, and buy the latest technology and equipment. We began by giving guarantees that housing would be provided for everyone who needed it. Not only command personnel, but warrant officers and petty officers. The idea is not to recruit new people and teach them ways of combatting the mafia, but to keep those who have proved their worth, prevent them from going off in pursuit of "big bucks," and provide their families with the basics at least.

[Bratchikova] How do you view the willingness of foreign countries—neighbors in the Asia-Pacific region—to give us humanitarian, economic, and other aid? Are we that poor and feeble?

[Tolstoshein] I believe we have not yet been able properly to take advantage of the fact that Vladivistok has become an open port. Open to cooperation, to business partnership. Five consulates—it must mean something! You don't even need to go to the countries they represent, since much can be agreed upon on the spot. You just have to effect a radical, 180-degree change in your attitude toward foreign economic activity—I discussed this recently with the heads of leading enterprises in the city. There are things we can teach foreigners and we have our fair share of natural resources—timber, fish, minerals. But we have a lot to learn from them, for example, construction organization, entrepreneurial methods, and business skills.

For example, I am about to go to South Korea, where we will discuss the details of the joint construction of a regional business center in Vladivostok. They are providing the finance. We are providing a small plot of land in the city. Not forever, but on a 50-year lease. In a year's time we will have at our disposal a splendid, fully equipped modern center, which will help us organize small and medium-size business in the kray in a whole new way.

[Bratchikova] There was a big agricultural fair in Vladivostok recently. At it people were able to buy at rock-bottom prices food, agricultural equipment for work on subsidiary plots, and much else. Is this a once-only event or do you intend to continue to revive these fine, but forgotten traditions in the city?

[Tolstoshein] By means of the fair you are talking about we were not only doing battle with the middlemen, we were also demonstrating that the Maritime Kray countryside is not impoverished, that it is possible, indeed essential to work with it on mutually advantageous terms. We will continue to develop this kind of open trade in squares. In the next few days we will be holding a fish fair, where we will be offering citizens fresh fish and other absolutely fresh seafood they have been longing for... So there are many plans, and I hope they will be implemented.

International Affairs

Russian Partnership Variant Not Yet Considered

LD1105144594 Moscow INTERFAX in English 1347 GMT 11 May 94

[Text] Ukraine's Defense Ministry has so far given no consideration to Russia's program alternative to NATO's Partnership for Peace scheme, Ukrainian Defense Minister Vitaly Radetsky said.

"We are still working out our vision" of the North Atlantic alliance's scheme, whose implementation poses "many problems" for Ukraine, Radetsky told Interfax-Ukraine on Wednesday. One of the problems is that Ukraine's military doctrine prevents it from joining any blocs, he said.

Hungarian Air Defense Commander Visits; Protocol Expected

WS1205085394 Kiev Ukrayinske Radio First Program Network in Ukrainian 0500 GMT 12 May 94

[Text] A Hungarian military delegation headed by Miklos (Csurgai), commander of Hungarian antiaircraft forces, is in Ukraine on a working visit. The visit's agenda includes meetings and consultations with Ukrainian counterparts and visits with Ukrainian antiaircraft units and subunits. The Ukrainian and Hungarian antiaircraft forces commanders, Lieutenant General Mykhaylo Lopatin and Major General Miklos (Csurgai), are expected to sign a relevant protocol on the results of the visit on 13 May.

National Affairs

Inaugural Session of Supreme Soviet Opens in Kiev

LD1105121794 Moscow ITAR-TASS in English 1104 GMT 11 May 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev May 11 TASS—The newly elected members of the Supreme Soviet (parliament) of Ukraine have set about working in a business-like manner.

Ivan Yemets, chairman of the Central Electoral Commission, opened the inaugural session on Wednesday.

According to Yemets, a total of 338 deputies were elected to the parliament; 168 of them represent various political parties, and communists make up a fourth of these.

The party of Narodnyy Rukh has six percent of the seats, while the Peasants' Party holds five and the Socialist Party—four percent.

Twelve women were elected to parliament.

The legislators represent various nationalities: Ukrainians account for 75 percent of the total number, Russians—for 20 percent.

At the suggestion of a working group which prepared the inaugural session, the legislators elected an interim presidium, which brought together Vasiliy Dudinets, former first deputy parliament speaker; Aleksandr Moroz, chairman of the Socialist Party; Petr Simonenko, communist leader; Vitaliy Masol, former Ukrainian prime minister; and Vyacheslav Chernovil, leader of the Narodnyy Rukh.

Participants in the session are tackling organizational issues.

It was announced that Ukrainian President Leonid Kravchuk would deliver a report "On Political and Social and Economic Situation in the Country" before the deputies at an early date.

Progress reports prepared by the government and chairman of the governing board of the National Bank will also be heard.

President Kravchuk participates in the parliament session.

Deputies Fail To Elect Deputy Crimean Speaker

LD1105150794 Kiev UNIAN in Ukrainian 1300 GMT 11 May 94

[Text] Simferopol, [no date as received]—A session of the Crimean Supreme Council continued on 11 May. As expected, the election of the chairman of the autonomous republic led to the first parliamentary crisis.

The morning session discussed the election of deputy speakers of the Crimean Supreme Council. Sehiy [Sergey] Tsekov proposed Oleksiy Melnykov, deputy head of the Republican Party of Crimea and head of the party's Sevastopol branch, and Viktor Mezhak, head of the People's Party of Crimea, for this post. After a long and stormy discussion, Oleksiy Melnykov's candidacy was rejected; 44 voted in favor and 46 against. Viktor Mezhak's candidacy was also rejected (24 for and 53 against with 17 abstentions). The chairman of the Crimean Supreme Council announced a break until 1500 for consultations regarding new candidates.

During an interval, deputies discussed the possibility of nominating Admiral Oleksandr Frolov, deputy commander of the Black Sea Fleet responsible for combat training, and Refat Chubarov, deputy chairman of the Majlis of the Crimean Tatar people and leader of the Kurultay's deputies group.

Commenting on the situation, Leonid Hrach, first secretary of the Communist Party of Crimea, noted: "I did not expect such a level from our parliament. It is possible to have a middle or a low level but what I see is simply

primitive. Progressive forces among the deputies will hardly make contact with the present leadership of the Supreme Council, or to be more specific, with the leader. Such a situation will, in my opinion, last for about another two months, until the next round."

Two Crimean Supreme Council Deputy Chairmen Elected

LD1105214194 Kiev UNIAN in Ukrainian 1930 GMT 11 May 94

[Text] Simferopol—After a break on 11 May, the work of the Crimean Supreme Council's session continued. Following consultations with deputies' groups, Crimean Parliamentary Speaker Serhiy Tsekov proposed that the candidacies of Oleksiy Melnykov and Viktor Mezhak for the posts of Supreme Council deputy chairmen be voted on for the second time. As a result of the vote, Oleksiy Melnykov and Viktor Mezhak became Republic of Crimea Supreme Council deputy chairmen.

Oleksiy Melnykov was born in Moscow and served in the Pacific Fleet and since 1986 in the Black Sea Fleet. He swore allegiance to the Armed Forces of the USSR and intends to swear no allegiance to anyone else. He was against Black Sea Fleet sailors taking an oath of allegiance to the people of Ukraine. In his words, there is no Black Sea Fleet problem as it was and is Russian.

Viktor Mezhak was born in Crimea. His profession is building engineer. He was elected as deputy of the City of Simferopol and Crimean Oblast Councils of People's Deputies in 1990. He is an activist of the Republican Movement of Crimea. He assumed the leadership of the People's Party of Crimea in the fall of 1993.

Both deputy speakers represent the Russia bloc, as does the speaker, Serhiy Tsekov.

Fears of "the Crimean president getting a 'puppet' parliament," expressed by Refat Chubarov, the leader of the [Crimean Tartar people's] Kurultay deputies' group, are, in the opinion of observers, proving true.

Parliamentary deputies then went on to address the question of elections to permanent commissions. Voting resulted in the finalization of their number. [There will be] 11 of them. [They are the commissions for] credentials, deputies' ethics, and Supreme Council work organization; legislation, legality and order; state construction; economic policy, and budget and financial matters; agrarian matters and food supply; ecology and land matters; social matters and health protection; military matters; education, science, culture and youth matters; mass media and public relations; and deportees' matters.

Tsekov said at the parliamentary sitting that it was possible the third Supreme Council deputy chairman would be elected in a while.

It has become known from sources close to government circles that a Crimean Government delegation, to be led by Deputy Prime Minister Yevgeniy Saburov, on 12 May is to fly to Moscow in order to sign an agreement on economic cooperation between the Republic of Crimea and Russia.

Kravchuk: Parliament Should Decide on Election Date

LD1105122694 Moscow INTERFAX in English 1109 GMT 11 May 94

[Text] Ukrainian President Leonid Kravchuk believes that the priority task of the first session of the new Supreme Soviet is to determine the issue on the June presidential elections, namely whether to hold them on June 26, as the previous parliament decided, or after the adoption of the necessary legislative basis.

During his meeting with the deputies of the new parliament on Tuesday in Kiev Kravchuk expressed the opinion that "from the very beginning the Supreme Soviet should pay attention to the conclusion of the work over Ukraine's new Constitution."

"The absence of a new Constitution makes the state's building and the work on choosing authorities for the various branches of power difficult," noted Kravchuk.

In his words, under the current situation the people will come to the elections having no notion "what the results will be."

At the same time Kravchuk pointed out that "it will be difficult to adopt the Constitution as a whole because "it is necessary to at least adopt serious well-balanced decrees on separate institutions of power to give reliable legal support to the election campaign."

Paper Backs Kravchuk Stance on Election

PM1105144394 Moscow IZVESTIYA in Russian 11 May 94 p 4

[Leonid Kapelyushnyy report: "A Game of Patience with Eight Aces. The Presidential Race in Ukraine Has Begun. But the Elections of the New President Might Not Take Place"]

[Text] Odessa—The presidential elections in Ukraine are surrounded by sensation inadvertently triggered by Leonid Kravchuk.

Long before the presidential race began he said in a radio interview with a foreign correspondent that he will not be standing in the future elections.

The nomination of election contenders took place in the traditional, smooth way. At the allotted time the Central Electoral Committee accepted the documents and issued signature lists to Aleksandr Moroz, leader of the Socialist Party; Leonid Kuchma, former prime minister; Vladimir Lanovoy and Viktor Pinzenik, former vice premiers; Ivan Plyushch, chairman of the last Supreme Council; and Nikolay Rud, a teacher at Kiev Technical University and a complete unknown. On the last day Education

Minister P. Tapanchuk and V. Babich, president of the Ukrainian Financial Group joint-stock union, entered the race. Admittedly, it was known that in one rural rayon the assembly had nominated Leonid Makarovich but he did not respond to that at all.

It should be explained to the non-Ukrainian reader that the presidential elections were initiated by Leonid Kravchuk himself. This happened in a situation of deep crisis when the country was inundated by a flood of demands for the resignation of the president and the Supreme Council. Now a new parliament has been elected. There are eight contenders prepared to fight for the right to save Ukraine from imminent catastrophe. But the newly elected deputies are beginning to be canvassed by enterprising free agents who come bearing a letter proposing that the presidential elections be postponed. June 26 is not the right time. The old Supreme Council got its calculations wrong and did not think things out well.

Leonid Makarovich has also issued a statement agreeing that the elections simply must be postponed to a later date for the sake of preserving political stability in the country.

Be that as it may, the sociologists are claiming that Leonid Kuchma has the highest popularity rating among Ukrainian politicians today. People remember his speeches as premier when he simply screamed out loud about Ukraine's imminent catastrophe.

Ivan Plyushch said candidly in a recent TV interview that he had not intended to stand for the presidency but had decided to do so only after Leonid Makarovich had assured him that he would not be putting his own nomination forward. "Since he is not standing I have decided to!" I personally would have been more impressed by the ambitious stance and hard-won convictions and plans of the political leader had they not been dependent on Kravchuk's decision. But that is the kind of man Ivan Stepanovich is—an energetic, somewhat rough and ready man who plays the part of the kindly village uncle but who controls his audience magnificently, steers the necessary decisions through brilliantly, and demolishes the unnecessary ones expertly.

I. Plyushch was sincerely confused and did not hide his resentment at Leonid Makarovich's sleight of hand.

L. Kravchuk does not have to account to anyone why he said one thing yesterday but is doing something different today. In Ukraine the president's legendary ability of being able to go out in the rain without an umbrella and not get wet has been confirmed once more. He worked things out with precision and bided his time perfectly before entering the campaign to retain the presidency. The nomination is not the main move but his insurance, his fall-back position. Just in case the elections are held.

L. Kravchuk believes that the present Ukrainian Constitution does not contain a statute on the early election of the president. There is a statute on the early termination of power as a result of impeachment and—on the initiative of the citizens—through a referendum. Thus the old parliament exceeded its powers. And Leonid Markovich [as published] was forced to accept that.

In Kravchuk's opinion the violation of the aforementioned articles makes the new elections illegitimate. And the blame for this situation rests on the old parliament which during four years' work did not find the time to adopt a constitution—the only parliament in the Commonwealth not to do so.

If the new parliament confirms the decision of the old one, all the responsibility will rest on it. Not for the elections but for the fate of Ukraine as a whole. That is the president's view. And he is absolutely right.

In the new Supreme Council 120 deputies have signed their names to the protest letter against the presidential elections. The rest have doubts. There is not a single fortune teller prepared to guess how events will develop at the first session.

When setting out the deck of cards showing the presidential contenders the voter can work out in theory which card is the ace, but how can he tell which suit the trump cards will be?

Center Bloc To Vote Against Deferring Election

LD1105163194 Kiev UNIAN in Ukrainian 1300 GMT 11 May 94

[Text] Kiev—On 10 May at a meeting of the Interregional Deputies Group (MDF-Tsentr), more than 20 of its members agreed on a joint position with regard to presidential and local elections on 26 June. "We are convinced that the presidential elections must be held without fail within the time limit specified by the law, stressed people's deputy and co-chairman of MBR [interregional bloc of reforms] Volodymyr Hrynyov. The president's arguments on the political situation concerning the elections today do not stand up to criticism and the attempt to postpone the elections with the help of the newly elected Supreme Council, and by doing so to place all the responsibility for this step on it is, in my opinion, destined to fail." Leonid Kuchma, co-chairman of the MBR and people's deputy stressed that groups of the MBR-Tsentr and other centrist forces in the parliament will come up against strong pressure on the part of the "party of power" to postpone the elections, but the position of the MBR-Tsentr should be firm. "I am convinced, said Kuchma, that every day the presidential elections are postponed will be destructively reflected not only on the economic infrastructure but will also lead to the impoverishment of the wider strata of the population.

Members of the MBR-Tsentr group had different views on the local elections. While not rejecting a renewal of the power structures in the localities as a whole, they however, expressed concern with the fact the election in

25 oblasts of "little presidents" could seriously destabilize the executive vertical of power. The group will define its definitive position on the election to local bodies of self-government in the course of consultations and meetings.

Peasant Party Appeals for Emergency Laws

WS1105130894 Kiev VECHIRNIY KIYEV in Ukrainian 5 May 94 p 1

[Unattributed report: "USDP: 'We Are Waiting for Salutary Legislation'"]

[Text] The Ukrainian Peasant Democratic Party [USDP] believes that the new Supreme Council body is a step forward—the parliament was joined by outstanding activists of the national democratic movement, leading economists, lawyers, experts in many branches, and statesmen. For the first time, legislators include Ukrainian nationalists who are the people of the future. At the same time, the session of the USDP Grand Council, which was held recently, posed an anxious question: With what will the new parliament begin? In this connection, participants in the session adopted an appeal to people's deputies which recounts "emergency" bills or, to be more precise, salutary bills for our economy and state.

In the first place, these include a law on equal trade of products with Russia, a law on progressive taxes, and a law on stopping profiteering off "cheap" Ukrainian goods on international markets. The USDP supports those experts who believe that it is necessary to temporarily cancel all quotas and licenses save one—on internal consumption, that is, to ban exports of state commodities and property by commercial structures. According to peasant democrats, the new parliament has to stop the activity of those "joint ventures" which work only for the export of goods abroad. They think it is extremely necessary to adopt a law on private property, which would provide for the preservation of reasonable state control, and to launch obligatory privatization in the sphere of trade and consumer services.

Such "emergency" laws, the appeal notes, are intended to create a state budget and abolish destructive economic scissors, that is, the situation in which commercial structures are able to plunder the state, while the state, in its turn, robs the people—in the first place, industrial workers, pensioners, and, particularly, peasants. Only after the economy is stabilized, will one be able to introduce the hryvna [Ukrainian currency], form a government, and set about on a still-more-difficult task—the promulgation of a new constitution. In the unanimous opinion of the USDP Grand Council, the new parliament should not start with the promulgation of a new constitution, notwithstanding the nudges from reactionary forces and even some democrats, as well as President Kravchuk himself. Supreme Council deputies differ in their views very much, therefore discussion on a draft constitution may provoke a permanent and fruitless political argument. "People's deputies will argue, while, without a budget, the state will go to pieces." Whereas the budget is an issue, on which "leftists, rightists, and centrists may come to terms."

The USDP also appeals to the Supreme Council to not postpone presidential elections. "One more day of L. Kravchuk in his presidential post," the appeal notes, "is one more blow to Ukraine, one more step back to neocolonialism."

The appeal was signed by USDP Chairman Serhiy Plachynda, Deputy Chairman Orest Barabash, academician at the Ukrainian Academy of Agricultural Sciences, and Vasyl Shust, member of the Grand Council and a farmer.

Development of Relations With Crimea Viewed

WS1205100094 Kiev HOLOS UKRAYINY in Ukrainian 5 May 94 p 4

[Article by S. Pyrozhkov, director of the National Institute of Strategic Studies: "The Crimea and Ukraine: Problems of Mutual Relations"]

[Text] Developments in and around the Crimean Republic are becoming a more and more important factor in all-Ukrainian political life and an object of careful attention at the interregional and international levels. Before our very eyes, the situation in the Crimea (so far only in terms of politics) is gaining more and more symptoms of a strategic problem, the resolution of which may turn out to be a tough challenge, not only for Ukraine and its neighbors, but also for the world community.

One can often hear complaints against the fatal mistake, which was, in the opinion of certain politicians and analysts, the restoration of Crimean autonomy. It is deemed as a concealed betrayal of Ukrainian statehood, as well as a result of a nomenklatura plot. It would be, however, hardly correct to boil down the restoration of Crimean autonomy to highhandedness and shortsightedness of certain politicians. It must be kept in mind that at that time, in early-1991, Ukraine's leadership was facing two problems.

First, an all-Crimean referendum was held in January 1991, which precisely defined the Crimeans' positive attitude toward the very idea of autonomy. This had to be taken into account, at least on the eve of the March all-Soviet referendum and all-Ukrainian poll. The Ukrainian Supreme Council, headed by Leonid Kravchuk, was trying to ensure the broadest possible social basis to preserve its political influence on the situation all over Ukraine, preventing a loss of control over the situation to Moscow politicians.

Second, Ukrainian politicians understood that if they were not able to reach a quick compromise, first of all with the Crimea, Soviet structures would interfere in the developments, and then, Ukraine's territorial integrity,

which had been recently confirmed by the Declaration of State Sovereignty, would undoubtedly be threatened.

The adoption of the Constitution by the Crimean Supreme Council in May 1992 and the appointment of the all-Crimean referendum became the apotheosis of confrontation. The decisive resistance of the Ukrainian leadership on the one hand, and the pressure of the pro-Russian Republican Movement of Crimea on the other, called forth a great probability of social conflict. It was the weighed position of the Crimean Supreme Council Presidium and its Chairman Mykola Bahrov which made it possible to put the resolution of the problem on a negotiating process, which resulted in a moratorium on the referendum and the adoption of the Ukrainian law "On Division of Powers Between the State Authorities of Ukraine and the Crimean Republic."

The Crimean Constitution, altered in accordance with this legislation, was adopted on 25 August 1992. At that very time, a certain political intrigue was devised around the question of whether legislation on the division of powers was in force or not. On the one hand, the Ukrainian Supreme Council did not return to the question of adherence of the Crimean Constitution to the Ukrainian one. On the other hand, the Ukrainian president stated twice in the Supreme Council that legislation on the division of powers was in force. The Ukrainian Constitutional Court, which would have had to deal with this issue, had not yet been established at that time.

Thus, the development of state authorities in the Crimea was proceeding along these lines. Even though it was the very August Constitution that envisioned the office of Crimean president, the question of whether its provisions conform to the Ukrainian fundamental law was only readdressed 15 months later, when the presidential campaign in the Crimea was already in full swing. This confirmed, in my opinion, that the state leadership was trying to maintain the freedom of political and judicial maneuvers in the event of unconstitutional, extremist actions of the Crimean ruling structures. On the other hand, Kiev saw Mykola Bahrov as a moderate politician willing to accept reasonable compromises and able to keep the situation in the Crimea under control.

Mykola Bahrov consistently pursued the line toward expanding Crimea's economic powers, unconditionally regarding it as an integral part of Ukraine. He understood that proceeding on the path of economic reforms:

- Would provide for the Crimeans a real confirmation of the advantage of Crimea's autonomous status;
- Would politically isolate extremist forces in the Crimea of any geopolitical orientation;
- Would ease pressure on the Ukrainian president and Crimea on the part of Ukraine's national-radical forces, which display very suspicious attitudes toward developments in the Crimea.

The June 1993 Ukrainian president's decree and the August 1993 protocol on introducing the so-called open economy regime on the territory of the Crimean Republic were aimed at this very goal. Based on these documents, worked out was a whole range of fundamental socioeconomic documents which significantly expanded Crimean powers within Ukraine. Unfortunately, however, they did not become an impulse to action, due to their contradictions with legislation already in force. The Ukrainian Supreme Council's consideration of the documents concerning the "Europe-center" free economic zone showed that the idea of decentralizing economic responsibility would not be supported by a majority of deputies, who had already joined the election marathon, in which it would be the most dangerous thing to be accused of having an inefficient dose of old-fashioned patriotism.

In this way, Mykola Bahrov ended up in front of his voters with the collapsing Crimean economy, unimplemented programs for economic reforms, and in the crossfire of Crimean and Ukrainian "patriots," who have finally achieved their goals: The former have obtained a president sharing their political views; the latter will continue to consider themselves defenders of the nation, since in the Crimea, power was apparently assumed by an opponent of Ukrainian statehood and dangerous challenger to Ukraine's integrity.

It is doubtful that the situation will be changed by the 24 February 1994 Ukrainian Supreme Council resolution which, a year and a half after the adoption of the Crimean Constitution, dared to consider a whole range of its provision contradictory to the Ukrainian Constitution. The same can also be said about an appeal by Supreme Council deputies to the Ukrainian president demanding the implementation of the Ukrainian law "On Ukrainian President's Representation in the Crimean Republic," which was only voiced several weeks after the adoption of a fundamental resolution on liquidating the office of presidential representatives for the issue of holding the following elections for local authorities and self-governments.

What is next? Apparently, Kiev has been left without any interlocutor in the political dialogue with the Crimea since Mykola Bahrov left the political scene. Is this true however?

The Crimea is currently represented by Yuriy Meshkov. It is interesting that his first visit in this office was to Kiev. There was nothing new, however, in his proposals: As a matter of fact, they included an appeal to continue the dialogue on economic issues, primarily, on implementing the important agreements which had previously been reached with Mykola Bahrov.

Actually, what can be seen in the actions of the newly elected president is succession. Although his campaign rhetoric and slogans still stand due to their inertia, the common wisdom saying that it is easier to win power than preserve it becomes more and more evident. In our hard times, it is possible to preserve power by only taking positive steps toward stabilization of the economy. One

could assume, of course, that Yuriy Meshkov regards such developments as a coerced, temporary compromise on the path to real independence for the Crimea. There is no doubt, however, that there is an objective need to take into account the economic situation, the improvement of which obviously depends on Crimea's economic integration with Ukraine.

Undoubtedly, the social basis supporting Yuriy Meshkov's most radical steps will diminish, as changes for the better appear in the Crimean economy, since the majority of those who voted for Yuriy Meshkov did so basically because they expected changes for the better in the socioeconomic sphere.

The invitation of Yevhen Saburov to assume the office of Crimean deputy prime minister confirms that the Crimean president is reasonable enough in making the most responsible decisions. The well-known Russian economist-marketeer, who was born in Yalta, is probably the optimal candidate for this high office. He has the image of a man who deals exclusively with issues of economic transformations, reducing personal political ambitions to requirements essential for ensuring conditions for reforms. It would be very appropriate if Yevhen Saburov managed to carry out his plans in the Crimea, because the peninsula's positive experience could be used in other regions of Ukraine.

It should be noted that Yevhen Saburov, as early as on the first day of his appointment by the Crimean Supreme Council, announced that political stability is needed to accomplish his mission. He also emphasized that, in his opinion, Ukraine's borders must remain unviolated. By the way, the new Crimean deputy prime minister asked the then Ukrainian president to grant him Ukrainian citizenship.

A poll conducted in the Crimea in March 1994 showed that Yevhen Saburov's nomination to the office of deputy prime minister was fully supported by 77 percent of those surveyed, partially—by 9.4 percent, and not supported—only by 3.9 percent, which means that the new deputy prime minister's ratings are very high.

Gradually, a situation is evolving in which Yevhen Saburov may become a compromising figure in the dialogue between representatives of both old and new political elites of the Crimea, as well as between Simferopol and Kiev. This provides for all participants in the political process substantial chances of reaching accord, as well as of saving political face in the eyes of their supporters.

As everybody knows, on 10 March 1994, Yuriy Meshkov issued the well-known decree on holding a poll. The following detail is very interesting. Few people paid attention to the fact that the main demand included in his political program—the annulment of the moratorium on a referendum regarding the fate of the Crimean Republic—was replaced with merely a poll in the form resembling a referendum. Also interesting is that when the issue of annulling the moratorium was put on the Crimean Supreme Council agenda, it got stuck in the procedural maze and was not even discussed, at the quiet consent of Yuriy Meshkov.

For his part, the Ukrainian president reacted quite operatively to the Crimean president's decree, annulling two out of three questions that were to be included on the poll, and which would require rather a consultative referendum, which the Crimean president does not have the right to approve. However, there were no objections to the poll (in a limited version), meaning that the Crimeans can absolutely legitimately put in force Yuriy Meshkov's decrees which have not yet been regulated by the legislation of the Crimean Republic. This is what Yevhen Saburov's team needs most, in terms of organization, to quickly implement reforms.

The U.S. Department of State has emphasized in this regard that Ukraine has demonstrated restraint since the new Crimean president was elected in January, and that the new Crimean leadership also wants to ease the confrontation, and that it has hinted that it does not demand that Crimea's status be changed. In the background remains the question of why were similar activities by the Donetsk and Luhansk Oblast Councils, which scheduled their own polls, not met by an adequate reaction on the part of the Ukrainian leadership. This once again shows that the Crimean problem is becoming a part of a broader problem, such as mutual relations between the center and the regions, or the administrative-territorial system of our country.

It is quite possible that if local elections are held in June 1994 and heads of oblast councils are elected by the people, Ukraine will obtain 25 "regional presidents" who will wage a fierce battle to expand their own powers. Taking this into account, it is currently expedient to concentrate on resolving the most fundamental issues concerning the state system, as well as on preserving the initiative with the central authorities.

The situation in the Crimea requires weighed actions on the part of both Simferopol and Kiev. It is important to understand that Russia is currently not able to incorporate the Crimea, either in terms of politics or economics. Unquestionably, political pressure from Russia is possible. One must take into account, however, the fact that this would be hampered by the tripartite declaration of Ukraine, the United States, and Russia on nuclear weapons and security guarantees for Ukraine, the Helsinki Act, the negative attitude of many neighboring countries toward Crimea's secession, and finally Russia's unstable domestic situation.

The point is not to aggravate relations between Kiev and Simferopol, just on the contrary, it is to arrange them in a civilized manner. It is therefore expedient to hold negotiations with the new Crimean Government, as represented by Yevhen Saburov, to improve mutual relations between Ukraine and the Crimea. Working out concepts and programs for an open economy regime may become a foundation for this.

The options provided by legislation "On Division of Powers Between the State Authorities of Ukraine and the Crimean Republic" should be used more efficiently. This requires a new normative-legal mechanism for regulating the status of the Crimea, which would eliminate contradictions and consequences of actions of any state authorities. Such a mechanism could be defined by a normative document between the state authorities of Ukraine and the Crimean Republic on dividing subjects of authority and delegating powers while resolving social, economic, and property issues. Naturally, foreign policy of the Crimea must not contradict Ukraine's Constitution or international commitments. In particular, this actually means that the Crimean Republic cannot be considered a subject to international law. It is unquestionable that Ukraine must act as a guarantor of the rights of all nations and ethnic groups living in the Crimea, and it must not allow itself to assume a dominating position toward any of them, developing direct ties with all civil organizations of deported nations, including the Majlis of the Crimean Tatar population.

Delaying the resolution of the Black Sea Fleet and Sevastopol problem is becoming more and more dangerous. The Massandra agreements (despite the ambiguous stance of all parities' toward them) opened a possibility to resolve the problem by means of negotiations, and they provide a chance to resolve a whole range of military, property, and financial issues. Kiev's loss of initiative is leading to an interference of other entities in this process, and this particularly relates to the Sevastopol City Council and officers of the Black Sea Fleet, which apparently only destabilizes the situation surrounding the fleet and the city.

Ukrainian state authorities must primarily take into account the fact that, from an economic point of view, Sevastopol cannot exist as only a part of the Crimean Republic. The city's future is connected with preserving its status of a city subordinated to the center, which allows to resolve economic, financial, and social problems much more efficiently. It would therefore be expedient to adopt legislation on the status of Sevastopol city (there are currently two draft laws worked out respectively by a group of Kiev specialists and the city administration).

The nomination of the Ukrainian president's representative to the Crimean Republic was an important step. Currently on the agenda, in my opinion, should be the drafting of an agreement between the Sevastopol City Council and Administration on the one hand, and the Crimean Supreme Council and Government on the other, which is provided by Article 7 (Paragraph 3, Part 2) of the Crimean Constitution. This would allow to conclude the establishment of the judicial triangle: Kiev—Simferopol—Sevastopol, and its strength would guarantee, to a considerable degree, an optimal resolution of any possible problems.

Ukraine and the Crimea have yet to encounter serious challenges in the economic, political, and social spheres. The latest developments on the peninsula have shown that there is no other way to untangle taut knots than through dialogue and negotiations. Only common sense, political responsibility for the lives of millions of people, understanding of current realities, and good will in suppressing personal passions and needless ambitions are a trustworthy beacon for all who are involved in problems of the Crimea and sovereign Ukraine as a whole.

Navy Council Condemns Threat to Stability in Crimea

LD1105194294 Moscow INTERFAX in English 1618 GMT 11 May 94

[Text] The Ukrainian Navy's Military Council resolutely condemns provocations threatening stability in Crimea says a statement released by the Ukrainian Navy's press service on Wednesday [11 May].

The document notes that "regrettably, some forces used the celebrations of the 49th anniversary of the victory in the Great Patriotic War and the 50th anniversary of the liberation of Sevastopol for provocations and extremist statements against Ukraine and its Navy."

"Some admirals and officers of the Black Sea Fleet ever more loudly voice their readiness to violate the integrity of the current borders, and the position of the Black Sea Fleet Commander Admiral Eduard Baltin, who recently said unequivocally that 'the fleet is a power and should not be touched,' makes them confident of their full impunity," the statement points out.

The Military Council of the Ukrainian Navy regrets that "such a position prevails today in the power structures of Sevastopol and Crimea."

Deputies Outline Centrist Legislative Bloc

WS1105104294 Kiev Ukrayinske Radio First Program Network in Ukrainian 0500 GMT 11 May 94

[Text] Yesterday, the Center [Tsentr] deputy group held its regular meeting at which an appeal to Supreme Council deputy factions was adopted. The appeal, in particular, states the following:

We, the Ukrainian people's deputies united in the Center group, propose to other deputy groups and party factions to create a parliamentary bloc of centrist orientation. We believe that a union of forces taking realistic constructive stands is quite possible since the majority of deputies, including those from political parties, participated in the elections with close or similar programs. People hope that the new Supreme Council body will be able to consolidate itself around creative and constructive tasks, as well as take hold of the situation in advance and turn it around for the better. We have no right to disappoint them. We see the primary task of the bloc as the prevention of a crisis of power. We have to form working

and permanent Supreme Council bodies and a government in an efficient and civilized way; without losing time and effort, to begin legislative work; to subject our influence to the processes of state development; and to establish reliable parliamentary control over all sectors under the powers which were granted to the Supreme Council by Ukraine's Constitution.

The first great accomplishment of the new Supreme Council could be the quick completion and adoption of a new Ukrainian constitution—a clear determination of what kind of state we are building and where we are headed.

Second: It is very [word indistinct] to find ways out of the economic crisis and to immediately begin the implementation of balanced market reforms which can be understood and supported by society. Our urgent need is to accomplish economic restructuring, fundamentally revise and liberalize tax policies, and reform monetary and credit policies, as well as the banking system. It is necessary to take resolute steps toward the quick overcoming of the payment crisis and the prevention of a threatened halt in production. In particular, the active support of basic industries is necessary.

Third: [Word indistinct] correctives have to be introduced in the state's social policy. People cannot suffer any longer from the striking inconsistency between prices, on the one hand, and the level of wages, pensions, stipends, and other payments on the other. It is necessary that every able-bodied man be able to secure a decent standard of living for himself and his family by way of his own work, while the state should take care of pensioners, invalids, large families, and the other most vulnerable sectors of society.

Finally, fourth: It is a task of extreme importance to strengthen the peace and accord between different segments of society, regions, and people of different nationalities and beliefs. It is the patriotic task of all political forces to preserve Ukraine's territorial integrity and the inviolability of its borders. A particular urgency has been acquired by the problems connected with the course of events in Crimea and the situation surrounding the Black Sea Fleet. They are to be resolved on the basis of Ukraine's Constitution and current laws.

The above considerations can become the basis for unifying deputy groups of centrist orientation in a parliamentary bloc. Understandably, they can be specified in the process of agreeing on positions. They can be the basis for working out a concrete course of action.

Kravchuk, Premier, Bank Head on Currency Rate

WS1205074594 Kiev KIYEVSKIYE VEDOMOSTI in Russian 5 May 94 p 4

[Article by Nikolay Zakrevskyy: "Hard Currency Discord Within the Noble Family: Kravchuk Thinks, Zvyahilskyy Decides, Yushchenko Protests"]

[Text]

Acting Prime Minister Yukhym Leonidovich Zvyahilskyy: "Introduction of a Fixed Karbovanets Rate is Not an Administrative But an Economic Step...."

The head of the government, who sent a letter defending his position on "currency" issues to the Ukrainian president, is confident of this. KIYEVSKIYE VEDOMOSTI has the complete text of this letter and cites its main provisions: "The exchange rate of the Ukrainian karbovanets, which was artificially reduced by the Ukrainian Interbank Stock Exchange, did not correspond to the purchasing power of these currencies [as published], because the stock exchange did not conduct actual purchases or sales, while the agreements, which were concluded there, accounted only a percentage of the currency turnover in our state." This is how Yukhym Leonidovich explained the reason for shutting down the stock exchange.

However, the decision to perform obligatory sales of obtained hard currency—according to the fixed rate—is aimed at "deducting part of the subsidies that enterprises receive for exporting products from the state budget, which will not in any way encroach upon the interests of export enterprises." What kind of subsidies does he mean? Yukhym Leonidovich clarifies: "In 1992-93, the National Bank issued huge loans to the Ukrainian Government to subsidize industry, transportation, and agriculture. A considerable portion of these subsidies was used to produce products for export. So, when exporters sold products for convertible currency, they received additional profits because of state subsidies, the falling karbovanets exchange rate, and exemptions from VAT and stock holdings."

To whisk through the Cabinet of Ministers the decision on a karbovanets exchange rate, Yu. L. Zvyahilskyy clarified his commitment to the issue—how to put it, in advance—to the Ukrainian president. What is its essence?

"Due to the fixed karbovanets exchange rate, the agricultural sector will be provided with fuel and lubricants, spare parts, and pesticides to carry out the spring sowing campaign. We managed to stabilize prices—including those on food, fuel, and lubricants—on the domestic market. The monthly inflation rate fell from some 50 percent in 1993 to 19 percent in January 1994. The demand for karbovanetses on the Moscow Currency Stock Exchange remains high. The fixed karbovanets exchange rate promises stable conditions for buying critical imported goods, primarily, energy resources and timber used in mining for the coal industry. A stable currency rate creates opportunities to decrease production costs and increase production for the domestic market. The latest factor encourages the purchasing power of the national currency and stabilizes the state's financial system. In addition, a fixed currency rate stabilizes prices on products of export enterprises, which makes it possible to conclude long-term treaties on the

delivery of Ukrainian goods to the global market... It also makes it possible to attract foreign investment to the Ukrainian economy...."

Ukrainian President Leonid Kravchuk: "We Should Take Into Consideration the Opinion of the New Supreme Council and the Government on the Fixed Karbovanets Exchange Rate...."

This is how Leonid Makarovich answered my "currency" question when he was in our editorial offices.

The current system of a fixed currency rate prompted the situation when 1993 currency profits in Ukraine—according to estimates made by Ukrainian and foreign experts—constituted 20-40 percent of the expected total, that is, some 60-80 percent of the earned currency remained abroad. What is your and your advisers' opinion on a fixed currency exchange rate? Do you know how to bring back the money—earned by Ukrainian exporters—which is currently not doing anything to help Ukraine?

This issue is of a broad nature, stressed Leonid Makarovich. Until now, there has been no single opinion on this issue. Even the National Bank does not have one. When representatives of the National Bank of Ukraine, other interested organizations, members of the Cabinet of Ministers, and myself held a meeting, our viewpoints differed once again. The current economic situation—the decreasing inflation rate, cheapening of some products—also speaks in favor of a fixed exchange rate. Therefore, we cannot simply reject this idea outright. All agree that when we have no national currency (we really lack it because the karbovanets is a deficient currency) we cannot move to a currency market. There exists the opinion that to introduce a national currency, we should cover it in our financial and credit relations.

The president's advisers support the following position: We require more freedom. In my opinion, before we adopt a money market, a fixed, or a floating exchange rate, we should analyze all of the pros and cons. One of the arguments against this is that we should change the scale of prices and salaries and financial indexes in the national economy. By the way, we should introduce extraordinary increases—by two or three times. That is, the scale of cash and pricing mechanisms should be changed. The budget should also be changed. However, it has already been adopted. It would be necessary to consider the opinion of the new Supreme Council and the government, which will be nominated by it. In my opinion, this is a problem of our tomorrow.

Ukrainian National Bank Chairman Viktor Yushchenko: "Given Hyperinflation, the Policy of the Fixed Currency Rate Will Make Ukraine a Multibillion Debtor!"

This answer, please note—which is diametrically opposed to the opinion of the head of the government—was contained in a letter from the chief banker. He addressed this letter to Andrey Pecherov, former chairman of the legislative commission for planning, budget, and prices. A stormy discussion of Yushchenko's letter, according to UNIAN, did not resolve this issue. The president's commission will probably hold a roll-call vote on a fixed exchange rate in the legislature. It would not be difficult to guess the results because there will not be many brave men "to turn the steering wheel by 20 points" from Zvyahilskyy's course. However, Viktor Yushchenko's position will not be the last in legislative debates.

"The use of the fixed currency exchange rate" when hyperinflation is in full swing, according to the Ukrainian National Bank chairman, "will lead to a further shift from the true market rate. The longer the fixing period, the higher the difference in currency rates."

"According to IMF experts, the volume of currency means, which did not return to Ukraine in 1993, stood at $1.3 billion. According to trade statistics from the United States, Germany, and Italy, the volume of Ukrainian exports and imports to these states is four times more than those registered in the customs statistics of Ukraine.

"Let us take into consideration the fact that the trade in currency to a specific group of importers at the lower rate simply provides them with additional income. The result of this policy is as follows: Given the situation of hyperinflation, the policy of fixing a currency rate, the limiting of exports and increases in imports will make Ukraine a multibillion debtor, because it liquidates the only source of currency generation—the production of goods for export..."

National Bank Confirms Foreign Currency Ban

LD1105192694 Kiev UNIAN in Ukrainian 1300 GMT 11 May 94

[Text] Kiev, [no dateline as received]—The government and National Bank of Ukraine are, in the very near future, expected to issue a joint resolution making provision for a ban on the circulation of foreign currencies as a means of payment. "Notification about this will be given 60 days in advance," Viktor Yushchenko, the chairman of the board of the National Bank of Ukraine [NBU], has told a UNIAN correspondent. The ban is to take effect in the summer of this year. Viktor Yushchenko made the following comment: "Fighting dollarization has always been an element of national currency stabilization at a certain point in the financial stabilization of the state. It is the national currency having the exclusive right to circulation on the market of the state, rather than the conclusion of contracts in foreign currency being prohibited, that is at issue. The ban will concern goods trade for foreign currency and will extend to every single foreign currency."

The NBU chairman of the board recalled that at the third attempt dollar circulation had been banned in Russia from 1 January of this year. In the Baltic countries, that had been done a year and a half ago. In Viktor

Yushchenko's words, "the directive cannot achieve full prohibition, and even after a legal ban the dollar is still in circulation in Russia." The NBU chairman of the board did not rule out that the same situation could occur in Ukraine. In his words, "it is hard to imagine the French franc being in circulation in the Canadian province of Quebec only because the majority of the province's population is francophone." The NBU chairman of the board is convinced Kiev is to retain its monopoly in currency policy regulation. "The circulation of the Russian ruble in separate regions and in Crimea in particular, is out of the question."

Customs Duties Increased on Food Imports

LD1105204894 Moscow INTERFAX in English 1842 GMT 11 May 94

[Text] The Ukrainian Cabinet of Ministers increased customs import duties on most import commodities, primarily food, with a resolution on 3 May.

The duty on boiled sausage goes up from 20 to 100 pct, chocolate from 10 to 100 pct, beer and wines from 20 to 200 pct, vodka and spirits 50 to 350 pct, dairy butter from 10 to 80 pct, sunflower seed oil from 20 to 60 pct, meat from 10 to 50 pct, tobaccos from 50 to 200 and jewelry items from 10 to 150 pct of customs value.

Duty on the majority of other goods did not change as dramatically, with video and tape recorders up from 20 to 40 pct and furs and leather clothing from 10 to 150 pct.

Ukrainian Presidential Advisor Valeriy Kravchenko considers that the adjustments to customs import duties will provide "more civilized methods" of protecting the interests of Ukrainian manufacturers. The Agriculture Ministry, for example, had made repeated requests for protection of the market against a flood of cheap food products.

However, Foreign Economic Relations Ministry experts believe that the introduction of new duties "will not have much bearing on the volume of imported goods on the Ukrainian market." Valentin Kalinin, speaking on behalf of the Ukrainian Tariff Control Department, said that the new duties would be payable in the national currency at an exchange rate fixed by the National Bank of Ukraine (which has stayed at 12,610 karbovantsy to the dollar for the last year and a half, despite rocketing inflation) while the goods themselves would be sold on the internal market at prices recalculated according to the market exchange rate (45,500-46,500 krb. to the dollar on 11 May). This will lead to a reduction in the net duty compared with the price of the import commodity.

Ukrainian Vice Premier Valentin Landik told INTERFAX-Ukraine that import duties would now be reviewed on a weekly basis to allow the authorities to keep up with market changes.

Belarus

Poll on Support for Presidential Candidates Reported

WS1105104194 Minsk Radio Minsk Network in Belarusian 1715 GMT 10 May 94

[Text] Even on days off the upcoming elections of the first Belarusian president remain a popular topic among Vitebsk residents. The Vitebsk independent sociological agency Istina decided to make some preliminary conclusions regarding the results of its nonofficial poll. It conducted a selective phone poll of 364 Vitebsk residents. Already at the start the sociologists discovered an interesting detail: In Vitebsk primarily women hold control over home phones. Therefore, the prevailing majority of respondents is represented by the best half of mankind of various age and professions. They gave their sympathies to three leading politicians: Alyaksandr Lukashenka, Vyachaslaw Kebich, and Stanislaw Shushkevich. The remaining candidates for this prestigious post were much behind the leaders. Almost half of the respondents link their hopes for improving the situation in society and the economy with the president. However, one fourth of the respondents did not express any positive emotions regarding this issue.

'Irregularities' in Presidential Election Campaign Reported

LD1105173294 Moscow INTERFAX in English 1438 GMT 11 May 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy; edited by Vladimir Shishlin]

[Text] With the deadline for the signature-collecting campaign being only three days away, three main candidates for the Belarussian presidency have already submitted a list of 100,000 signatures to the central election commission. They are Prime Minister Vyacheslav Kebich, Communist Party Chief Vassiliy Novikov and leader of the opposition People's Front Zenon Pozniak.

Also about to do so are former Parliamentary Chairman Stanislav Shushkevich and leader of the People's Accord Party Gennadiy Karpenko.

In the meantime, members of the monitoring commission of pro-democracy parties and movements have stated a number of irregularities in the election campaign. The commission maintains that the interior ministry was instructed to ensure that members of the police force should vote in favor of the prime minister; the defence minister at a recent meeting told his subordinates to vote for Kebich and against Shushkevich and chairman of the anti-corruption commission Aleksandr Lukashenko; and the collection of signatures at a number of plants in Minsk was held under management pressure. Local observers say as the battle between presidential candidates becomes more uncompromising as the campaign is drawing to a close.

In a recent interview, Shushkevich accused the prime minister of trying to shift the responsibility for economic collapse, mismanagement and failure to carry out market reforms on the Russian Government and taxpayers. He said Kebich's drive for a closer union with Russia was used as a cover up to try to divert attention away from genuine government corruption from top to bottom.

On the monetary union with Russia, Shushkevich said that "all of the Russian rubles will flow back to Moscow currency exchanges in a week's time to cause further inflation in Russia and shortage of rubles and nonpayment of wages in Belarus". He said that many in Russia were well aware of this.

The withdrawal of 400 members of the White Russ Slav Assembly from the support group collecting signatures in favor of Alexander Lukashenko came as a bomb shell, local observers say.

The Assembly's sudden change of heart follows WR's allegations saying that "Lukashenko and his associates have been speaking of their opposition to integration with Russia and a monetary union with Moscow."

Committee Notes 'Fraud' in Presidential Campaign

WS1005114194 Minsk DOBRY VECHAR in Belarusian 5 May 94 p 1

[Report by Syarhey Chyslaw under the "Party Activists" rubric: "Democracy Under the Lash"]

[Text] The Civilian Control Commission [Hramadzkaya Kantrolnaya Kamisiya—HKK], which was created by democratic parties and movements to safeguard the integrity of the elections, has held a regular session. An increase in the authority of this public association—which was created at the initiative of the Belarusian Association of Servicemen with the United Democratic Party of Belarus, the Belarusian Popular front, the Belarusian Social Democratic Assembly, the Belarusian Peasant Party, the Belarusian Christian Democratic Union, the National Democratic Party of Belarus, the Party of People's Accord, and the Association of Belarusian Language—was evidenced by the fact that it was joined by the United Agrarian Democratic Party, the Union of Entrepreneurs, the Belarusian Association of Invalids, and the Belarusian Environmental Party.

Participants in the session discussed the issues of expanding HKK structures throughout the Republic and concentrated their attention on fraud committed by certain individuals seeking nominations for president. With regard to these facts, the following press statement was released:

"Mr. Kebich's initiative group was being formed through state power structures. Indicative of this is an example in the city of Zhlobin, where a local school teacher, at his own request, was included in Shushkevich's initiative group. Later, it turned out that the same teacher, without being asked for his consent, was included in Kebich's support group as well. In this man's opinion, initiative groups in support of Kebich were created according to the so-called telephone rule [not further identified].

"During the recent session of the Defense Ministry Collegium, the defense minister of the Republic of Belarus was openly campaigning in support of Kebich as well as against Shushkevich and Lukashenka, regardless of the fact that our Army is to remain outside of politics.

"At the Academy of Physical Training, the signature campaign in support of Kebich is being conducted under an order from the dean.

"Commanders of the Interior Troops have given orders to their subordinates to ensure that Interior Troop personnel vote for Kebich.

"Managers of the enterprises, which are members of the Belarusian Scientific and Industrial Association and support Mr. Kebich, are trying to put under their control the creation of district electoral commissions."

By the way, the HKK may be contacted by telephone at 36-09-09.

Kebich, Novikaw Amass Most Signatures in Presidential Race

WS1205085894 Minsk Radio Minsk Network in Belarusian 1715 GMT 12 May 94

[Text] One can count days until the termination of the first stage of the presidential campaign—the collection of signatures in support of candidates for the office of the first Belarusian president. As a BELINFORM reporter has learned, few of the candidates for the state's top post will clear the hurdle of amassing 100,000 signatures. For example, as of 11 May, the signature hurdle was cleared only by enthusiasts supporting Prime Minister Vyachaslaw Kebich and Communist Party Chairman Vasyl Novikaw. More than 160,000 Belarusians signed the petition in support of the first candidate, and 115,000 of the second. According to the number of supporters, the initiative group supporting Stanislaw Shushkevich ranks next in line. That group has already collected 90,000 signatures. According to the headquarters for support of [opposition leader] Zyanon Paznyak, it is too early to release information on their campaign. The other initiative groups simply do not cooperate with the Central Election Committee for Presidential Elections.

Trade Unions Receive Answer From Hryb on Early Elections

WS1205090694 Minsk Radio Minsk Network in Belarusian 0300 GMT 12 May 94

[Text] The Belarusian Trade Union Federation has received an answer to its appeal—containing a proposal to adopt a decision on a date for early Supreme Soviet elections—to Supreme Soviet Chairman Mechyslaw Hryb. The answer reads: The issue has been discussed by the Supreme Soviet Commission for State-Building. A decision to shift the discussion of the draft law on introducing changes and addenda to the Law of the Republic of Belarus on Electing People's Deputies was adopted during a regular meeting of the 13th session. Together with the discussion of this draft law, a draft resolution on fixing a date for Belarusian Supreme Soviet elections will be discussed. It will include a date for these elections, the answer reads. As for the opening date of the regular session, it is unlikely that it will be held before we learn the name of the first Belarusian president. This will probably [words indistinct].

Moldova

EBRD To Grant $100 Million in Credits

LD1105125494 Moscow INTERFAX in English 1109 GMT 11 May 94

[Text] Before the end of 1994 the European Bank for Reconstruction and Development will allocate credits amounting to $100 million to Moldova. The parties reached this agreement in the course of the negotiations between the Moldovan delegation and the EBRD leadership late April in London, the republic's Prime Minister Andrey Sangeli declared to Financial Information Agency.

In particular, a $26-million credit will be channeled for the reconstruction of seven wine-producing factories and financing of the construction of a glass factory in Kishinev [Chisinau] with the participation of foreign investors. A $20-million credit is to be used to support Moldova's fuel and energy complex (in particular, for the reconstruction of the central heating station in the city of Beltsy and for the financing of the governmental program on energy economy). The EBRD intends to open a credit line totalling $20 million to back private entrepreneurs in Moldova.

The order and conditions of credits are to be finally coordinated in August 1994, underlined Sangeli, however, it is suppose that for the Republic's commercial banks the interest rate on credits would not exceed 10 percent.

Until now the International Monetary Fund and International Bank for Reconstruction and Development have rendered assistance to Moldova. The total volume of their financial aid to the republic has exceeded $300 million.

Tight Money Policy Strengthens Currency, Weakens Industry

PM1105152394 Moscow ROSSIYSKAYA GAZETA in Russian 11 May 94 First Edition p 6

[Report by Lyudmila Feliksova: "Moldavia [Moldova]: The Leu Is Still Keeping Afloat, But Industry Is Drowning"]

[Text] Kishinev [Chisinau]—There have not been that many successes in the economic life of Moldavia. But there has been one: The leu, contrary to gloomy forecasts, which predicted for it the fate of the Ukrainian karbovanets, is still keeping afloat. Supported by nothing but transfusions from international financial organizations, the leu is nevertheless remaining stable. It is the hardest currency among the CIS republics, the "Logos-press" economic review maintains, citing specific figures in confirmation. At the beginning of January the exchange rate stood at 364 Moldavian lei to U.S.$100, and at the end of March at 399 to $100, i.e. an increase in the dollar against the leu of just 9.6 percent, which is not that much.

Michael Blackwell, IMF representative in Moldavia, also makes an optimistic assessment of the national currency's position. The rate of inflation has fallen sharply. Whereas it stood at 50 percent in December, in February it was down to 26 percent. The IMF representative predicts 1-3 percent a month by the end of the year—no higher than in other developed European countries. M. Blackwell sees as the reason for this stability of the leu the strong reform program chosen by the Moldavian Government and the rigid control over the financial policy of the National Bank, which has limited total credit and is abiding strictly by the memorandum signed with the IMF. If the National Bank continues to keep to the chosen line, Blackwell believes, then soon "healthy economic growth will begin" in Moldavia, while the strong currency will make enterprises adopt "more rational decisions."

So the leu is stable, which cannot, alas, be said of the state of Moldavia's industrial potential. It is steadily declining. The nonpayment of wages for several months in many sectors has become a chronic illness in the Republic.

Far from everyone in Moldavia shares the IMF representative's optimism. In particular, A. Muravskiy, parliamentary deputy from the Agrarian Democratic Party, believes that the IMF financial policy resembles the actions of surgeons who treat all diseases in just one way—with a surgical operation. International consultants rigidly apply the same yardstick to Nicaragua, Poland, and Moldavia, regarding them as some experimental test bed. But only a few people are familiar with the memorandum, which the chief program of the financial policy, and it can be judged only on indirect signs. These are not very reassuring. "If the optimum point is not seized," Muravskiy remarked, "a social storm could blow up and sweep aside both this parliament and this government."

The Moldavian Union of Industrialists believes that it is the anti-inflationary monetary policy according to other people's prescriptions that has put the Republic's industry in a grave financial position, and it has demanded that the memorandum be examined in parliament with a view to amending it.

Prime Minister A. Sangheli has reaffirmed, however, that the government will not alter the chosen course and will take the path of reforms.

The very near future will evidently show whether Moldavia will succeed in improving the health of the economy or whether the leu's stability will remain a local "economic miracle."

Moldova, Gagauz Republic Heading Toward Peace Settlement

LD1205083794 Moscow ITAR-TASS World Service in Russian 1442 GMT 11 May 94

[Report by ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev [Chisinau], 11 May—The leadership of Moldavia [Moldova] and the unrecognized Gagauz Republic have taken steps toward a peace settlement within the Gagauz problem. A meeting of the sides' parliamentary commissions is to take place in Kishinev on 12 May. They will discuss the draft law on the legal status of the Gagauz settlements. Today, it was discussed at a closed sitting of the commission of the Gagauz Parliament, which was attended by its president, Stepan Topal. The draft law grants the Gagauz people broad self-government within a single Moldavia.

According to Komrat (Gagauz capital) sources, disagreements appeared between the sides yesterday. They relate to the articles of the draft law, which define the status of the Gagauz rayons, their administration, and the division of powers between the republic's central leadership and local bodies.

Komrat's spokesmen proposed that changes should be made to the draft law, which envisages setting up the "Gagauz-eri" national and territorial entity in southern Moldavia. They insist on adopting their own constitution and are against the proposed procedure for appointing judges and heads of power bodies, which provides for their appointment by collegiums of the relevant Moldavian ministries. Kishinev disagrees with this.

Despite this, it looks as if the sides have managed to draw up compromise decisions, which will be discussed at tomorrow's meeting.

Kazakhstan

Foreign Minister Receives Russian Ambassador

LD1105162694 Almaty Kazakh Radio Network in Kazakh 1400 GMT 11 May 94

[Text] Foreign Minister Kanat Saudabayev received today Boris Krasnikov, the Russian ambassador to Kazakhstan, at his request. Under examination during the meeting were a wide range of topical problems. They discussed issues of diverse Kazakhstan-Russian cooperation. Boris Krasnikov emphasized that the first official visit by President Nazarbayev to the Russian Federation is an important factor contributing to further development of bilateral relations. He highly evaluated the idea on creating the Euro-Asian Union that has been put forward by head of our state. He described it as an interesting and promising proposal. On his behalf, Kanat Saudabayev emphasized that Russia will remain a priority in Kazakhstan's foreign policy. The Foreign Ministries of both countries can play a great role in this.

Imported Energy Debts Top $117 Million

MK1205083094 Moscow PRAVDA in Russian 12 May 94 p 1

[Unattributed report under the "In Brief" rubric: "Energy Debt Mounting"]

[Text] A situation close to disastrous has taken shape in Kazakhstan's fuel and energy complex. Its imported fuel debts have topped $117 million. Reporting this, the Republic's business newspaper PANORAMA gives the list of Kazakhstan's energy creditors, which are Kirgizia [Kyrgyzstan], Turkmenistan, Uzbekistan, and Russia. The lion's share of the debts falls on the Uzbek side: Kazakhstan owes it more than $100 million for the use of natural gas and electricity.

Kyrgyzstan

President's Press Service Criticizes Government Policies

LD1105132994 Bishkek KYRGYZKABAR in Russian 1000 GMT 11 May 94

[Text] Bishkek, 11 May—The presidential press service published a statement today in the newspaper SLOVO KYRGYZSTAN [WORD FROM KYRGYZSTAN] in which it tried to evaluate the political, economic, and social situation in the Republic. The document emphasizes that the current government has not dealt with the tasks of taxation and budget replenishment. Administration of the budget is practically uncontrolled. People are becoming more impoverished, resulting in an oversupply of goods. Every fourth enterprise is losing money, and, at the same time, not a single one has been declared bankrupt.

The major stabilizing factor of the sociopolitical situation is the slow down in the inflation rate, says the statement. It protects a wide range of the population with fixed incomes from falling standards of living. This also creates conditions for attracting investment to production. The president is now taking urgent steps aimed at improving the situation.

At the same time, contractual relations related to preferential financing of economic and social reforms with international financial organizations are on the brink of breakdown.

In light of the lowered living standards of working people, the government's policy, aimed at slowing down the settlement of the issue on developing gold mines and attracting foreign investment on a mutually beneficial basis, seems to be illogical. Incidentally, President Askar Akayev and deputies of the regional soviet of (?Karakol) will examine issues of the government's policy with regard to the Kumtor gold mine today.

The statement ends with the words: "We are building a democratic state that is capable of implementing laws for the benefit of our people. This is our decision and we are not deviating from this path."

Government Fails 'in Certain Spheres'

LD1105125994 Moscow INTERFAX in English 1109 GMT 11 May 94

[Text] Activities by the present Kyrgyz Government in certain spheres are practically a failure, the Kyrgyz president's press service said in its statement circulated in Bishkek today.

The statement underlined that improvement of the system of taxation and establishment of the state budget was the main task of any government. The statement emphasized that since the state budget was not receiving taxes it could not pay wages to physicians, teachers, artists, and scientists. This limits the opportunities for the state in providing social security for pensioners, students and other not well-off categories of the population. However, the government continues to finance unprofitable enterprises which cannot sell their production freezing significant financial funds.

The unjustified decrees in the purchasing capacity of the population hampers to sell products even if the actual demand for it exists. This aggravates the crisis in the Kyrgyz society and economy. The present situation lays the agreements with international financial organizations like the IMF and the World Bank open to possibility of a wreck in what concerns the financing of the economic and social reforms. No preferential financial resources could be attracted to the Republic under such circumstances.

The statement also pointed out that the position and the moves of the government were absolutely illogical within the context of the aggravating economic and social situation. The government, however, keeps deferring

works on development of the gold deposits with the participation of foreign investors for mutual benefits. Primarily, this means the delay in joint development of the Kumtor gold deposit with the participation of the Canadian Cameco company.

Akayev Sets Up Commission on Insolvent Enterprises

LD1105123494 Moscow INTERFAX in English 1109 GMT 11 May 94

[Text] Kyrgyz President Askar Akayev has issued a decree on the state commission for reorganization and liquidation of insolvent enterprises. This was announced to INTERFAX by the Kyrgyz president's press service.

The same source told INTERFAX that this had been done in order to eliminate broke enterprises, to make the state budget healthy, to achieve financial stabilization in Kyrgyzstan and to carry out structural reorganization.

The commission will be headed by Kyrgyz Premier Apas Jumagulov and will include the chairperson of the national bank, the finance minister and others.

The commission will focus on implementation of programs concerning unprofitable enterprises. The presidential decree must be implemented within a month.

Economic Entities in Financial Trouble Fail to Pay Dues

LD1105105994 Bishkek Kyrgyz Radio First Program Network in Russian 2300 GMT 10 May 94

[Text] Republican economic entities have run into debt amounting to millions of soms in customs dues for barter deals to the state. Staff at the Kyrgyz Customs Directorate are facing now the task of recovering this money from commercial structures and enterprises. This has been said by Anatoliy Linishenko, head of the Republican Customs Directorate, during a briefing at government house. Over the last year 32 million soms in customs duty were paid to the state budget, which comprises around 20-30 percent of the possible volume of customs dues. The reasons for this are inefficiency of the Customs Directorate, the open border with Tajikistan, gross violations of customs rules by a great number of commercial organizations, and other reasons.

Tajikistan

Militants Cross Pyandzh River at Tajik-Afghan Border

LD1105145094 Moscow INTERFAX in English 1347 GMT 11 May 94

[Text] The Russian Border Defense Troops press service told INTERFAX that a group of armed militants had crossed the Pyandzh River and broken through from Afghanistan to Tajikistan on the section controlled by the Pyandzh Border Guards Tenth detachment. The militants hid themselves in the river bush.

The militants were attacked.

Islamic Rebirth Movement Views Possible Cease-Fire

LD1105152794 Moscow INTERFAX in English 1347 GMT 11 May 94

[Text] The Movement of Islamic Rebirth of Tajikistan was prepared to consider the draft agreement on a temporary cease-fire on the Tajik-Afghan border and will implement it after the agreement is signed. This was said in a statement circulated by the movement today.

The statement underlined that during the inter-Tajik talks in Moscow in April the opposition delegation had put forward a draft agreement on a temporary cease-fire. However, the "other party had not wanted even to discuss the draft which proved the destructive position taken by the Dushanbe regime."

The statement also pointed out that the Tajik opposition did not threaten security of Tajikistan, Russia, and CIS states. "We, Tajik citizens temporarily situated beyond the borders of our Republic, want to go back to our Motherland and live in our houses," the statement said.

"Real threat for Tajikistan and other CIS states stems from the forces hampering the peace settlement of the conflict," the statement emphasized. It also stressed that the opposition sought political settlement of the conflict. "We have nothing against the CIS Joint Peacekeeping Forces stationed in Tajikistan for defense from external offensives."

"Our struggle is not aimed against any particular country. This is a conflict between the Tajik opposition and a narrow circle of people made us leave our Republic," the statement underlined.

Rakhmonov Meets Heads of Town, Rayon Committees

LD1005111994 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 10 May 94

[Text] Emomali Rakhmonov, the head of state and chairman of the Supreme Soviet of the Republic of Tajikistan met with the chairmen of the executive committees of the towns and rayons of the Republic, today.

The issues related to the social and political situation in Tajikistan, provision of the population with food as well as the course of the spring sowing field-work were discussed.

The head of state answered a number of questions of those present.

Delegation Leader Cited on Hopes for Tehran Peace Talks

LD1005114294 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT 10 May 94

[Text] Tajikistan's opposition groups expressed hope that a compromise will be reached during the second round of direct talks, soon to be held in Tehran, between their representatives and the Tajik Government. In an exclusive interview with the Central News Unit correspondent, [Akbar Turajonzadeh], the head of the delegation representing the Tajik opposition groups in the [peace] talks, said that the first round of talks failed to achieve any conclusive results for the people of Tajikistan.

Reiterating the opposition's aim of realizing lasting peace in Tajikistan, he said: We seek independence and good-neighborly relations with all Tajikistan's neighbors, including Russia.

Mr. Turajonzadeh praised the Islamic Republic of Iran's positive role in finding a solution to the Tajik crisis.

Turkmenistan

Niyazov: Leader Needs Ability To Solve Historic Tasks

LD1105171694 Moscow INTERFAX in English 1438 GMT 11 May 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] Turkmenistan has embarked on the road of independence and intends in no way to deviate from it, said President Saparmurad Niyazov, 54, speaking with a group of Moscow journalists.

We are building a democratic state which, however, takes into account specific national features, he said. The main task of the country's leadership, he said, is formulated in the slogan "A Decade of Stability," which began in 1992.

Niyazov said that the economic reforms carried out in Turkmenistan, do not infringe upon the interests of the majority of the population—the country's citizens use free running water, gas, electric energy. In addition, each citizen of the country has the right for 146 kilos of free flour a year.

The president assured journalists that Turkmenistan enjoys freedom of speech and human rights are observed. However, he said, this should not run counter to the moral norms of the nation and centuries-old traditions. Niyazov voiced complaints to some news media in Russia, for example, to television, where on show is mainly pornography and sex.

Answering the question of what he thinks about worshipping of his personality in Turkmenistan, he said that in the country there is no such notion as personality cult. I do not consider myself a special person. I am a human being like all others.

Niyazov claims that since 1985 when he came to power, there was not a single case of prosecuting dissidents. We have no political prisoners, he said.

He said that the country needs a leader who, together will like minded people, may take up courage to solve historic tasks. We are going through a very difficult period in our history, said Niyazov.

He admitted that he was not satisfied with the admiring attitude to his personality. He said that he asked parliament not to celebrate his birthday for the period of his presidency at least.

Honestly, this is a burden for me. I believe we shall come to think about this again. Nevertheless, if there is no imposition, I do not see reasons for a ban for such treatment to the state leader, said Niyazov.

According to the Turkmen leader, he is tolerant to criticism if it refers to his activities. I do not like biassed personal criticism, said the president.

Uzbekistan

President Karimov Receives Swiss Banking Delegation

LD1105115194 Tashkent Radio Tashkent Network in Russian 0215 GMT 11 May 94

[Text] Yesterday, President Islam Karimov received a delegation from the Swiss bank Credit Suisse led by Rayner Gut, chairman of the Council of Directors. During the two sides discussed the successful development of mutually beneficial ties between Uzbekistan and the world famous bank Credit Suisse. Exchange of views took place on developing these contacts. The leader of Uzbekistan noted the expediency of opening a Credit Suisse branch in Tashkent, stating that this would become an important factor in the expansion and deepening of mutual cooperation.

Rayner Gut spoke about the readiness of Credit Suisse to contribute toward developing the Uzbek economy, including the training of highly qualified specialists in banking for our Republic. Sultanov, deputy chairman of the prime minister of Uzbekistan [name and title as heard], participated in the talks.

Armenia

Aide Confirms Armenian, Azerbaijani Presidents To Meet

LD1105152394 Moscow INTERFAX in English 1347 GMT 11 May 94

[Text] In his interview with Interfax Levon Zubaryan, aide of the Armenian president, reconfirmed the information about the preparation for a meeting between Armenian and Azerbaijani presidents on the settlement of the Karabakh conflict scheduled for the near term in Moscow. At the same time he reported that the precise date is as yet unknown. According to Zubaryan, "preparatory diplomatic work is being carried out with the mediation of the Russian side."

In Zubaryan's words, this meeting has been foreseen by the protocol signed on the results of the meeting between representatives of the parliaments of Armenia, Azerbaijan, and Nagorno-Karabakh under the mediation of the CIS Inter-Parliamentary Assembly on May 5 in Bishkek.

One of the items of the protocol says that the appeals to cease fire in the conflict zone should be fixed "in the near term by signing a reliable and legal agreement which would stipulate a mechanism preventing resumption of any military and hostile actions, withdrawal of forces from the occupied territories, restoration of communications, return of refugees, and continuation of the negotiation process."

Azerbaijan

Armenian Attacks Break Cease-Fire

NC1105175494 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 10 May 94

[Text] Despite the declaration of a cease-fire as of 0000 on 9 May, the Armenian side launched new combat operations in the Agdamskiy Rayon sector of the front line at 0900 today. Following a preparatory artillery bombardment, the enemy attacked Akhmadagaly in Agdamskiy Rayon. Armored vehicles supported the onslaught. Violent clashes are taking place around that town at the present time.

Uninterrupted positional fighting has continued in Gorenboyskiy, Terterskiy, and Fizulinskiy Rayons during the past two days. The Armenians suffered many casualties in their unsuccessful attacks against Gorenboy. The enemy units lost more than 50 men. They abandoned 12 machine guns and grenade launchers and fled from the battlefield.

The border observation posts in Kedabekskiy Rayon were fired on from Armenia last night. The enemy also fired on our positions in the Omer Pass region in the northern part of Kelbadzharskiy Rayon.

Armenian Forces Resume Attacks on Terter, Agdam

NC1105160494 Baku AZERTAC in English 1522 GMT 11 May 94

[Text] [No dateline as received] The Armenian forces resumed their attempts to fight their way through the Azerbaijani Armed Forces defences to Terter and Agdam in the morning. According to the Defence Ministry of Azerbaijan, 10 Armenian soldiers died and one tank became a casualty as a result of the fighting continued in the afternoon.

The Azerbaijani Army forced the Armenian Armed Forces to retreat to their starting battle lines as a result of the heavy fighting taken place near the village of Kichik Akhmadagali in the district of Agdamskiy. Both the sides have suffered losses. More than 40 Armenian soldiers were killed, while the Azerbaijani side suffered 10 casualties. The enemy's three tanks and one vehicle gasoline tanker became casualties.

Regiments of the Azerbaijani Army were subject to heavy artillery shelling in Geranboy and Kelbajar.

Surprise Armenian Artillery Attack Inflicts 'Heavy Losses'

LD1105201394 Moscow 2x2 Television in Russian 1940 GMT 11 May 94

[Text] An unexpected artillery attack by Armenian armed formations in the west of Azerbaijan has caused heavy losses in units of the Azerbaijani Army that were not prepared for it. Independent sources report that over 60,000 civilian refugees are now urgently leaving the area of the front that is near the administrative center of Akveri.

Yerevan Updates Fighting Situation in Karabakh

NC1105183594 Yerevan Radio Yerevan in Azeri 1330 GMT 11 May 94

[Text] Dear listeners, we now present a report on the latest situation in the Nagorno-Karabakh Republic [NKR] and the border between Armenia and Azerbaijan.

The reports we received from the NKR a short while ago indicate that the situation is far from being stable. The reason is the Azerbaijan military forces' systematic violation of the cease-fire understanding. The Azerbaijan National Army [ANA] units have intensely shelled the NKR defense positions with artillery and then attacked them. It must be noted that the Armenian side has tried to refrain from retaliating against ANA attacks to create an opportunity for the implementation of the measures in the protocol that was signed in Bishkek. However, they have not always been able to do so.

Apparently certain forces in Azerbaijan wish to obstruct the peace talks. The war serves the interests of those circles that believe that their political ambitions are

more important than the people's interests. The maintenance of the fighting [words indistinct]. However, we hope that Azerbaijan's leaders will honor their signatures on the protocol signed in Bishkek and will work to implement its provisions, otherwise the confrontation may deepen. That state of affairs would not be in Azerbaijan's favor.

Undoubtedly, Azerbaijan has realized that the maintenance of the confrontation [words indistinct]. However, the combat operations have not been halted and the situation has continued to be unstable. The NKR Defense Army Headquarters has disclosed that the ANA units launched an attack on [place name indistinct] in Mardakertskiy Rayon at 0500 this morning. A preparatory artillery barrage preceded their onslaught, but their attack failed to achieve its objective. The Armenian defense forces counterattacked and forced them to withdraw to their previous positions. As usual, the ANA units suffered many casualties.

A high-level agreement has been reached to end the fighting, so why should the war continue?

The combat operations were not limited to Mardakertskiy Rayon. The NKR defense positions in Askeranskiy Rayon in the eastern theater of the war were also shelled by artillery units. There were combat operations in that part of the front line this afternoon, too.

The ANA units shelled the Armenian defense positions in Askeranskiy Rayon yesterday. Later they attacked Yarymdzha in Mardakertskiy Rayon. However, their attacks were rebuffed. Dozens of ANA officers and men have been killed over the past three days in Azerbaijan's unjust war for Armenian territory.

No incidents occurred in the border between Armenia and Azerbaijan last night and this morning. We hope that this will continue.

New Cease-fire Agreed for Nagorno-Karabakh

LD1205101194 Moscow ITAR-TASS in English 0943 GMT 12 May 94

[Report by ITAR-TASS correspondent Vadim Byrkin]

[Text] Moscow 12 May TASS—A new cease-fire agreement beginning on midnight from 11 to 12 May has been mediated among the warring sides by Russia and the CSCE at talks in Moscow.

Russian envoy on Karabakh settlement Vladimir Kazimirov told TASS on Thursday that in contrast to the last cease-fire, which was unilaterally declared by Nagorno-Karabakh and Azerbaijan, the latest one is a commitment of three parties, a compromise brokered by mediators among Azerbaijan, Armenia and Nagorno-Karabakh.

"Multiple violations of previous agreements put the trust to political will of the leaders of the sides under a serious test," Kazimirov admitted.

He said that the agreement was signed by defence ministers of Azerbaijan, Armenia and Nagorno-Karabakh. The Russian Foreign Ministry welcomes the cease-fire and insists on its unconditional fulfilment by all parties, he added.

"It is necessary to ensure a radical breakthrough in the situation, a firm turn towards peace, to consolidate armistice by reliable and legally-binding agreements on the final end of the armed conflict," the envoy stressed.

So far there have been no reports about violations of the cease-fire.

Later in the day Kazimirov, Chairman of the CSCE Minsk Group for Karabakh Jan Elison and his deputy Mathias Mosberg are leaving for the conflict area to meet leaders of Azerbaijan, Armenia, and Nagorno-Karabakh.

Resettlement of Armenians in Occupied Territories Condemned

NC1205062794 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 10 May 94

["Text" of a statement by National Security Minister Neriman Imranov in Baku on 10 May—recorded]

[Text] We all know the work President Geydar Aliyev has carried out during the past few months to find a peaceful solution to the Karabakh dispute. He has told the world that he is prepared to work to have the Karabakh dispute peacefully resolved, providing the Armenians agree to withdraw from Azerbaijan's occupied territories, the peaceful people are allowed to return to their property, the state border between Azerbaijan and Armenia is reinstated, and Karabakh's administrative, political, and economic status is outlined.

But the Armenian occupiers, who pretend to support peace, do not intend to withdraw from Azerbaijan's territory. Instead, they want to intensify and broaden the war. They want to occupy more territory in Azerbaijan.

The Armenian leaders' adventuring initiative during the past few days is disgusting. The ruling circles in Armenia and the political parties that support them have decided to establish Armenian cities and towns in Azerbaijan's occupied territories, including Kelbadzharskiy, Kubatlinskiy, and other rayons, by transferring Armenian families from Armenia and several CIS countries to settle in them.

How do the Armenian ruling circles plan to achieve that? As the first step, they have allocated land to the families they have already transferred to the rayons. They have given them long-term and interest-free credits and exempted their sons who reach conscription age from military service. They have also met the travel expenses of the Armenians who arrive to settle in Azerbaijan's rayons and taken measures to educate their sons in Armenia and several countries in Europe.

All that is a part of a planned adventurist policy to seize Azerbaijan's territory. Azerbaijan's people must know that policy's intentions and objectives. Azerbaijan's president, leaders, and people will not allow them to achieve their goals. The Armenian occupiers' policy is a defiance of the entire world. Considering that, Azerbaijan's people, regardless of their nationality, religion, and social standing, and regardless of which political party they support, must rally around the Republic's president and wage a united struggle against the occupiers. That is what is required.

Nakhichevan Leaders Urge Popular Front To Stop Lawlessness

LD1105205594 Moscow ITAR-TASS in English 1853 GMT 11 May 94

[Report by ITAR-TASS correspondents Sevindzh Abdullayeva and Viktor Shulman]

[Text] Baku 11 May TASS—The parliament and government of the Nakhichevan Autonomous Republic of Azerbaijan issued an ultimatum to the local section of the Popular Front on Wednesday [11 May], demanding it to stop unlawful actions aimed at destabilising the situation in the Ordubad District of the Republic.

The Nakhichevan authorities also said that they will appeal to Azerbaijani President Heydar Aliyev to impose a state of emergency in the region if the situation is not normalised within three days.

The situation in the district, home base of ex-President Abulfaz Elchibey, worsened two days ago, following the appointment of a new head of the administration. Several local leaders and deputies refused to obey the new head and called on their supporters to follow their suit.

A group of front activists tried to seize the building of the local executive council last night. As a result of a clash with the police, several people were injured.

Parties Appeal to Aliyev on Economic Crisis

944K1215A Baku GRAZHDANIN in Russian 10 May 94 p 1

[Appeal by political parties to Republic of Azerbaijan leadership: "Appeal"]

[Text] To Mr. Geydar Aliyev, president of the Republic of Azerbaijan; Mr. Rasul Guliyev, chairman of the Republic of Azerbaijan National Assembly; and Mr. Suret Guseynov, prime minister of the Republic of Azerbaijan.

The Azerbaijani economy is in a crisis condition; those citizens who live only on wages have dropped below the poverty line. There is no need to comment in detail on the tricky social and political problems such poverty has caused or may cause. If the impoverishment of the masses continues at the present rate, it will eliminate all opportunities for the democratic development of society and our Motherland's defense capabilities.

The deepening economic crisis and further impoverishment of the population are processes that run in parallel and are interrelated. The exacerbation of the economic crisis in Azerbaijan is caused by both objective and subjective factors. At the same time, the currently adopted contradictory decisions are a sign of vagueness of the strategic line in the economy.

Periodic wage increases for the purpose of neutralizing the tricky problems of impoverishment in the end do not solve the problem, since the pace of wage increases lags far behind the pace of increases in the cost of living. Thus, the main burden of economic decline falls on the shoulders of the low-income strata of the population, while the persons and state bodies whose responsibility it is to avert the crisis apparently are relieved of the need to conduct a firm economic policy. This situation cannot continue for long, however.

While expressing our concern in connection with the current situation, we believe it necessary to implement the law on wage indexation for the purpose of averting a further worsening of the population's standard of living. This law by itself cannot help to improve the material situation of those living on earned wages. By setting up a mechanism for its implementation, it is possible to freeze the current difficult material situation of the workers and avert a further worsening of it. If we begin to implement this law, the persons and structures currently shirking their responsibility for governing at the expense of a decline in the popular standard of living will be forced to conduct decisive, well-thought-out, comprehensive political reforms.

[Signed] The Azerbaijani Party of Democratic Independence

The "Ana Veten" Party

The Azerbaijani Party of Popular Revival

The Azerbaijani Social-Democratic Party

The Party of Independent Azerbaijan

Sagydov To Attend Economic Reform Forum

944K1215B Baku GRAZHDANIN in Russian 10 May 94 p 1

[Unattributed report: "International Economic Relations Are Expanding"]

[Text] Our republic will be one of the participants in the first session of the International Committee for International Cooperation and Economic Reform, which is to take place on 12-14 May. On the agenda of the first session is discussion of the issue of the production and distribution of foodstuffs; cooperation in the fuel and energy and banking and finance spheres; ensuring social

protection of the population during the period of economic reforms; and other issues. Our country will be represented at the session by a group of experts headed by Azerbaijani Minister of the Economy S. Sadygov. Let us recall that this organization was founded on 1 February 1994 and unites 18 countries of the former USSR, as well as Central and East Europe. Its headquarters are located in the capital of the FRG.

Aliyev Receives Russian Duma Delegation

944K1215C Baku BAKINETS in Russian No 4, 11-21 May 94 p 1

[AZERTADZH report: "Russian State Duma Delegation Headed by Sergey Baburin Visits Azerbaijan"]

[Text] Republic of Azerbaijan President Aliyev received a Russian State Duma delegation headed by Sergey Baburin, coordinator of the Russian Way deputy faction, currently visiting Baku.

The interlocutors spoke in favor of the restoration, development, and strengthening of Azerbaijani-Russian ties in all spheres. As the head of the Azerbaijani state put it, the two peoples are linked by almost two centuries of history, and their relations are steeped in rich traditions. It is wrong to discard such a legacy, especially nowadays, when times are so difficult for both countries. In his opinion, the difficulties they are encountering can be overcome only by joint efforts.

Regarding the situation of Russians in Azerbaijan, the president emphasized that they are a component part of society and full-fledged citizens of the Republic, which is the way it has been at all times.

According to the Azerbaijani leader, the formation of an objective opinion of the situation in the region could be helped by a visit by President of Russia Boris Yeltsin. In this connection he mentioned that such a proposal had been put forward to the head of the Russian state.

In turn, Sergey Baburin noted that one of the tasks this Duma delegation has set for itself is to sort out what is currently happening in the conflict zone. In his opinion, A NEGATIVE POINT IS THE ABSENCE IN RUSSIA OF COMPLETE INFORMATION ON AZERBAIJAN. "We are ready to assist," he said, "in ensuring that truthful information reaches politicians both in Russia and in Europe."

Georgia

Deputy Premier, Iranian Envoy Discuss Cooperation

LD1105163294 Tbilisi IBERIA in Georgian 1430 GMT 11 May 94

[Text] Tbilisi, 11 May—Georgian Deputy Prime Minister Zurab Kervalishvili received Fereidn Haqbin, ambassador extraordinary and plenipotentiary of the Islamic Republic of Iran to Georgia. Members of the commission for the development of the Europe-Caucasus-Asia highway corridor; Valeriy Gegidze, head of the sea and trade port; and others were present at the meeting.

The meeting discussed the specific results of the implementation of the 17 agreements signed by Iran and Georgia, as well as Iran's role in reconstructing the Port of Poti.

Defense Minister Reports Process of Forming National Army

LD1105194694 Moscow INTERFAX in English 1618 GMT 11 May 94

[Text] The process of forming a national army is going on at a fast pace, Georgian Defence Minister Vardiko Nadibaidze told INTERFAX on Wednesday [11 May]. He said the main focus was on discipline and arms procurement rather than show.

The minister went on to say that until recently, there was no regular army as such and the notions such as "brigade, corps or regiment" were used in a loose way leading to Georgia's defeat in the Abkhazian war.

"Without a single command center, it is impossible to achieve any success," Nadibaidze said. And he added that to the best of his knowledge, as many as three Georgian commanders were in charge of military operations in Abkhazia.

He thinks the national army formed by conscription must consist of six or eight separate contingents (armor, motor rifle, artillery, air, and naval units), 1,000 to 1,500-strong each. "More importantly, they must be mobile and well-trained", said the minister.

On the Abkhaz conflict, Nadibaidze said he was in favor of a political rather than military solution with Russian troops playing a major role, especially in providing security guarantees to returning refugees.

On the relationship between the Georgian and Russian armies, Nadibaidze said questions of military cooperation were outlined in the appropriate bilateral accords. Initially, this includes the training of Georgian military experts in Russia and supply of weapons and hardware to the national army. "Parts of those joint plants are being implemented," he said.

Formerly deputy commander of Russian troops in Transcaucasia, Nadibaidze was nominated by Eduard Shevardnadze and appointed by parliament as the country's new defense minister on 26 April.

He was sworn in as minister after a farewell ceremony by Russian troops in Tbilisi on 9 May.

Defense Ministry Denies Georgian Armed Groups in Gali Rayon

LD1105203794 Tbilisi Radio Tbilisi Network in Georgian 1800 GMT 11 May 94

[Statement issued by the Press Service of the Georgian Defense Ministry on 11 May]

[Text] The Georgian Defense Ministry Press Service made the following statement: Russia's Ostankino television program, Novosti, based on Abkhaz sources, on 10 May, in effect, broadcast misinformation alleging the entry of Georgian armed groups into the Gali rayon. The same source asserts that 250 armed Georgian fighters are operating in the Gali rayon.

The Press Service of the Georgian Defense Ministry is authorized to state that this news does not correspond to the truth. Similar information, based on Abkhaz sources, has been broadcast many times before. In this particular case, it aims at a specific target—to separate or wreck Georgian-Abkhaz talks on peaceful settlement that started today in Moscow.

Accord Signed With Abkhazia on Setting Up Joint Commission

LD1105204594 Moscow INTERFAX in English 1840 GMT 11 May 94

[Text] The Georgian and Abkhazian delegations to the settlement talks held in Moscow today signed a document on setting up a joint coordinating commission responsible for issues of mutual interest in power engineering, transportation, communications, environmental protection, etc. This statement was made by a member of the Abkhazian delegation, representative of Abkhazia in Moscow Igor Akhba, in an interview with INTERFAX Wednesday [11 May].

Akhba said the commission which would be composed of four members from each side will start its work in Sochi on 1 June.

Akhba said he was confident the talks would produce an agreement to establish a cease-fire and troop separation on 12 May. The final variant of the agreement had already been prepared, he said. The document provides for the deployment of peacekeeping forces along the river Inguri, the line of confrontation between Georgian and Abkhazian troops. Before the deployment, the two sides are to separate their troops each by 12 km from the river.

According to Akhba, it was decided that the CIS peacekeeping forces would be deployed in the area. "It is more likely that it will be a Russian contingent," he said. U.N. officials will act as observers.

Akhba pointed out that the decision to deploy CIS peacekeepers in Abkhazia should be taken by CIS states in response to an appeal by the participants of the talks. If the agreement is signed, such an appeal may be sent as early as Thursday. Akhba did not preclude that in this case the decision to deploy the peacekeepers in the conflict area might be made within the next five days.

Shevardnadze Says Legislation Out of Date

LD1105171094 Moscow INTERFAX in English 1438 GMT 11 May 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] Georgian leader Eduard Shevardnadze has said that the republic's legislation is outdated. In a message to parliament, the Georgian leader asked deputies to take urgent measures to form new economic relations. This is an obligatory condition for the formation and development of the Georgian statehood, he believes.

Shevardnadze says in his message that the government is to submit shortly to parliament three different types of bills which should be given particular attention.

The first package refers to economic relations, the second one to the bills on legal guarantees for the protection of the rights of the economic subjects which take part in material relations. The third package has laws which, in line with the democratic course chosen by Georgia, should regulate relationships among branches of power.

The message says that parliament should adopt also codes of civil laws, criminal and labor laws as well as laws on administrative violations of laws.

As the speaker of parliament I am prepared, to speed up the process of law-making, to cooperate with all commissions, factions and individual deputies, says the message.

Conscription for Russian Border Troops Begins

MK1105153094 Moscow KRASNAYA ZVEZDA in Russian 11 May 94 p 1

[Vitaliy Denisov report from Tbilisi under the "News" rubric: "Georgian Guys Like Russian "Green Caps"]

[Text] Conscription of Georgian personnel for the Russian border troops on Georgian territory has begun according to an agreement between Georgia and Russia on the joint protection of borders.

Colonel Vladimir Berezin, deputy chief of the "Gruziya" ["Georgia"] group of forces of the Caucasus Special Border District, said that at the initial stage Georgian citizens will account for 10 percent of the group's strength—in May-June 350 young Georgians will be conscripted into the Russian border units. In the future, the entire length of the Georgian-Turkish border will be protected by Georgian units.

Commission Head Reports on Return of Abkhaz Refugees

LD1105205194 Moscow ITAR-TASS in English 1751 GMT 11 May 94

[Report by ITAR-TASS correspondent Irina Schegoleva]

[Text] Sochi 11 May TASS—"The process of refugees' return to Abkhazia is already on, without waiting for the results of the work done by the Commission for Refugees and Displaced People," head of the Abkhazian delegation Leonid Lakerbaya told ITAR-TASS today after the commission resumed its work. According to Lakerbaya, about 24 thousand people have returned to the Galski District alone from areas controlled by Georgia.

Members of the commission have begun reviewing the registration procedures of the people wishing to return to Abkhazia. They are also discussing legal aspects of the issue.

"We demand only one thing: At the time of filling registration papers these people must commit themselves to respect laws of the Republic of Abkhazia and must not take up arms against lawful authorities," Leonid Lakerbaya added.

"We know the mood of our population. We are very much alarmed, when the talk turns to a massive inflow of refugees. The Republic cannot accept all people at once, as houses are destroyed, and there is a shortage of food and fuel. We are prepared to accept refugees, but in those settlements, where specific conditions have been created for settling them. We will continue this work, but in stages and without unwarranted hurry," the Abkhazian vice-premier noted.

The parties considerably differ on determining the number of refugees who intend to return. For example, the protocol of the expert group session on the question of registration procedures, the number of refugees is shown to be 290 thousand. At the same time it is assumed that 250,000 people must return to Abkhazia from areas controlled by Georgia.

The Abkhazian side emphasises that currently there are no more than 120,000 people in Georgia, who were forced to leave Abkhazia, and another 65,000 in Russia. Thus, according to Abkhazian records, the total number of refugees, who would wish to return, does not exceed 185,000.

The commission plans to hold its next session on 30 May to discuss the question of determining the extent of losses suffered by refugees and forced migrants.

Estonia

Legislator on Lack of Global Appeal on Grachev Remarks

WS1205082794 Tallinn BNS in English 1701 GMT 11 May 94

[Excerpt] Tallinn, May 11, BNS—Estonia should have turned to U.N. structures, foreign governments and international organizations after Russian Defense Minister Pavel Grachev's remarks on May 6 that Russia may suspend army withdrawal from Estonia or even bring in additional troops, opposition MP Peeter Lorents said.

"Unluckily it seems that this was done neither on May 6 nor later, and therefore one is left with the impression that the Estonian Government has once again let pass an extremely good opportunity to raise the issue of Russian troops staying in Estonia to the center of attention of international organizations and the public," Lorents, the deputy leader of the Coalition Party faction in the parliament said in a statement today. [passage omitted]

Chief Russian Negotiator Regrets 'Inhuman Attitude'

WS1205082894 Tallinn ETA in English 1647 GMT 11 May 94

["News Release"]

[Text] Russia continues to put pressure on Estonia over the retired military tying this issue to the resumption of inter-state negotiations, became evident from an interview given to ETA by the head of the Russian negotiating team, Vasiliy Svirin.

"We cannot understand why Estonia has adopted such an inhuman attitude towards the retired military," Svirin said. "If Estonia abandoned that position we could solve many problems we face," he said while adding that Russia does not intend to postpone inter-state negotiations.

Russia's position is that recent rounds have ended without results and have become negotiations for the sake of negotiations, Svirin said adding that no agreements have been initialed.

Therefore, Russia has proposed that all four working groups meet in Moscow and draw up proposals in order to come out of the deadlock.

"When those proposals are ready, we will together with Ambassador Vaino Reinart decide when the next round of negotiations will take place and the Ambassador has agreed," Svirin said.

Estonia's position is that the retired Russian military should leave the country.

Latvia recently went to a compromise with Russia allowing some 20,000 Russian ex-officers to stay in Latvia.

Ammunition Manufacturers To Move to Former Russian Base

WS1105144994 Tallinn BNS in English 0108 GMT 11 May 94

[Text] Tallinn, May 11, BNS—Arbalett Ltd., the first company to give military production in Estonia after World War II, has plans to move into a former Russian base near Turi, central Estonia.

The base is located four kilometers from the nearest cow farm, away from people and can be well guarded, said Andres Rekker of the Defense League Fund, which owns one-third of the company. The concrete hangars at the base also meet the standards established for a military plant, he said.

Two-thirds of the shares in the company belong to individual members of the Turi unit of the Defense League paramilitary corps.

The issue of turning the base over to the company is expected to be under discussion at May 17 meeting of the government.

Arbalett Ltd. already has made and demonstrated in a field test the serial parties of explosive packages—used as substitute for hand grenades in military training. The company is set to assemble its first combat grenades soon and hopes to launch production of land mines in June or July.

Metal shells for the hand grenades come from Erivasar, an Estonian company. A part of the materials necessary for the manufacture of grenades "is expected from a foreign country soon," Rekker said.

New Law on Political Parties Passed

LD1105155794 Tallinn Radio Tallinn Network in Estonian 1400 GMT 11 May 94

[Excerpt] We will begin with the news from Toompea. The Riigikogu's plenary session is working this afternoon and has adopted the law on political parties. Gunnar Paal reports.

[Begin recording] [Paal] According to the law on political parties that has just been adopted, a party must have at least 1,000 members. This is the decision taken today by the Riigikogu, with 65 votes in favor, four against, and three abstentions, as it adopted the law on political parties in its entirety. Constitutional Commission Chairman Mart Nutt: Will the law on political parties cast doubt on the future of a whole string of small parties?

[Nutt] Not at all. As is known, the parties that are already operating do not have to reregister according to this law on parties. All they must do is bring their constitutions and programs in line with the requirements of the new law. This means that if they are below the 1,000 member limit, this will not serve as a basis for them to wind up their activity. Also, the parties that will be set up before

the next Riigikogu elections will do so according to the previous principle, which means the requirement is 200 members. The new requirement of 1,000 members will come into force only after the next Riigikogu elections. It is aimed at strengthening parties. The parties operating now will drop out of the party register only if they fail to get any of their candidates into the Riigikogu during the next two elections. This is a logical path to follow because those parties who fail to make their mark on the political map, those parties have no point. [passage omitted]

Laar Receives Letter of Support From UK's Major

WS1205083894 Tallinn BNS in English 1925 GMT 11 May 94

[Text] Tallinn, May 11, BNS—British Prime Minister John Major in a letter to his Estonian counterpart Mart Laar expressed Britain's support for the integration of Estonia with European structures and for the demand that Russian troops be pulled out from this Baltic country by Aug. 31, 1994, government spokesman Ain Saarna said.

The letter was delivered to Laar in London, where the Estonian leader is currently staying for an official visit.

Major in the message also says he is convinced that the visit by the Estonian prime minister contributes to the development of good and friendly relations between Estonia and Great Britain. The British premier separately mentions the economic agreements to be signed Thursday [12 May].

Major expressed regret at not being able to meet Laar because of urgent business.

The Estonian prime minister today visited the CEETEX '94 East European technologies and investment fair. He was scheduled to meet British Minister of State Douglas Hogg later in the day. The timetable of the visit includes a trip to Oxford in the evening, where Laar holds a lecture, titled "From Totalitarianism to Democracy."

On Thursday, Laar and Foreign Secretary Douglas Hurd sign two intergovernmental agreements in the field of the economy.

The president of the European Bank for Reconstruction and Development, Jacques de Larosiere, will host a luncheon in honor of the Estonian leader. Laar will also have meetings with representatives of the British Industrial Confederation.

The prime minister is scheduled to return to Tallinn late on Thursday. Justice Minister Kaido Kama stands in during Laar's visit as the head of the Cabinet.

Latvia

Army Halts Call-up Due To Lack of Funds

LD1205101794 Riga Radio Riga Network in Latvian 0900 GMT 12 May 94

[Text] The Latvian army has not conscripted soldiers for compulsory service since the end of April. The call-up was suspended due to lack of funds in the budget needed to maintain and train soldiers. Aleksandrs Doniks, head of the state service department, told the LABRIT newspaper that the call-up has been suspended until the number of soldiers on compulsory service falls and there is enough money to maintain them.

According to estimates made by the Defense Ministry at the beginning of this year, the maintenance of a soldier for the duration of his service costs approximately 1,050 lats, excluding the funds needed to buy machinery, arms, and ammunition. If the call-up is suspended for a longer time, then toward the fall there will be a shortage of about 750 soldiers on the border.

Government Delegation Ends Visit to France

LD1105122994 Riga Radio Riga Network in Latvian 0900 GMT 11 May 94

[Excerpts] Today the official visit to France by a Latvian Government delegation ends. The delegation is led by Premier Valdis Birkavs. [passage omitted] During the visit there was discussion with French officials of possible cooperation between the two countries in the economic, defense, and security spheres, as well as Latvia's membership of the European stability pact.

Today the delegation plans to meet parliamentarians of the French National Assembly, as well as the president of the biggest French water supply company.

Ulmanis Calls Saeima Presidium Session to Discuss Law

LD1105133694 Riga Radio Riga Network in Latvian 1200 GMT 11 May 94

[Text] Today, as proposed by State President Guntis Ulmanis, there was an extraordinary session of the Saeima Presidium. The president requested a second debate on the law on local authorities adopted on 5 May. Ulmanis regards as unacceptable the provisions of paragraph 93 of the law, which allows for the dismissal or removal of an elected official from his post by the sole personal order of a minister. In his opinion, only the Cabinet of Ministers can dismiss or remove an elected official from his post.

The Saeima Presidium agreed to a second debate of the law on local authorities, allowing the Commission on State and Local Administration and the Judicial Commission to rule that the Commission of State and Local Administration will assemble the proposals received and

prepare the laws adopted together with the proposals for a second debate in a plenary session of the Saeima.

Prime Minister Affirms Support for Coalition With Farmers

WS1105141494 Riga DIENA in Latvian 30 Apr 94 p 1

[Article by Nellija Locmele: "Latvia's Way Will Not Break the Coalition With the Farmers Union"]

[Text] Riga, 29 Apr—During a meeting today with representatives of the mass media, Latvian Prime Minister Valdis Birkavs expressed the conviction that Latvia's Way could form a coalition even without the Farmers Union, but it will naturally try to maintain the present coalition as long as possible, and, for its part, will never attempt to break it.

The threat to the ruling coalition arose after the Wednesday [27 April] vote of Farmers Union deputies in the Saeima [parliament] concerning the case of rescinding the mandates of the Saeima "five" [deputies accused of KGB collaboration], but, as Birkavs stated today, it was a vote of conscience which cannot be attributed to factional discipline. V. Birkavs also expressed the view that the signing of the agreements with Russia could mean "the end of the coalition." Nonetheless, the prime minister admitted that no changes in the government are being planned for the present time. There also have been no concrete proposals on this matter from the Farmers Union—"there are only some attempts to increase one's own influence by taking advantage of the unstable situation."

Considering the possibilities that could result from an eventual split in the coalition, V. Birkavs first of all mentioned the creation of a new coalition which will be able to fulfill the economic policy of Latvia's Way, with perhaps some contributions regarding a few portfolios or a slight slowdown in the pace of reform. Latvia's Way, however, will never consent to a radical alteration of course. The creation of the coalition can be problematic, because Latvia's Way has its supporters in foreign policy, as well as in economic and social policies, but they do not represent one definite political group or direction. The consultations with these supporters are being held on an ongoing basis. V. Birkavs described it as a strengthening of the existing coalition. As a second possibility which may arise if the present coalition ceases to exist, V. Birkavs mentioned the support which Latvia's Way will render in the process of creating a new government based on radical national forces. At the same time, however, Latvia's Way will not fail to point out the losses which Latvia could incur.

Details Requested From Russia of Military Sites

LD1105201494 Riga Radio Riga Network in Latvian 1700 GMT 11 May 94

[Text] Today, the Latvian Bureau for Monitoring the Withdrawal of the Russian Army presented a request to the headquarters of the Northwestern Group of Russian Forces to inform the bureau about the schedules for withdrawing from those Russian military sites that are not mentioned on the schedule for troop withdrawal presented by Russia. Ilgonis Upmalis, the head of the bureau, says the schedule provided by Russia does not include 13 Russian military sites in Latvia, nor 26 army units located on warships and submarines in Riga and Liepaja. Upmalis also requested the leaders of the Northwestern Group of Forces to show the numbers and addresses of the military units mentioned in the schedule, as well as providing lists of the military personnel at the army units and their family members.

The schedule for troop withdrawal provided by Russia is an appendix to the treaty signed in Moscow on the withdrawal of Russian troops from Latvia.

Property Fund Approved To Oversee State Holdings

WS1205084694 Tallinn BNS in English 1701 GMT 11 May 94

[Excerpt] Riga, May 11, BNS—Latvia's Cabinet decided Tuesday [10 May] to form a State Property Fund to calculate, maintain and manage all state-owned property.

To ensure the efficiency of management, state-owned enterprises will set up informative data bases, state immovable property data bases and bases for unclaimed property.

The fund may give state property units to management of other legal persons, as well as to propose the creation of state businesses and statestock companies to manage property units.

The fund will be headed by Cabinet-appointed secretary general. The candidacy will be proposed by the finance minister. The fund will also have a seven-member board, elected for an office of three years.

Fund's employees are barred from other professional appointments and participate in entrepreneurship. [passage omitted]

WEU Associate Membership Deemed 'Diplomatic Success'

WS1205083994 Tallinn BNS in English 1701 GMT 11 May 94

[Excerpt] Riga, May 11, BNS—The decision of the Western European Union [WEU] to grant "associate partnership" to nine former Warsaw Pact members, including Latvia, Lithuania and Estonia, stands an important diplomatic success of the Baltics, the Latvian Foreign Ministry said Wednesday [11 May].

The getting closer to the European Union's fledgling defense group opens a new stage in the road of the Baltic countries to comprehensive integration into European structures.

The cooperation will allow the Baltics to build multilateral military and political contacts with WEU countries with a prospect of becoming full-fledged WEU members in the future, according to the statement.

The associate partner status was also offered to Poland, Hungary, the Czech Republic, Slovakia, Bulgaria and Romania.

Latvia was represented to the May 9 meeting of WEU foreign and defense ministers in Luxembourg by Defense Minister Valdis Pavlovskis and Acting Foreign Minister Egils Levits. [passage omitted]

National Center Reports 6 AIDS Cases, 12 HIV Carriers

WS1205084394 Tallinn BNS in English 1701 GMT 11 May 94

[Text] Riga, May 11, BNS—The National AIDS Center has, so far, registered six AIDS patients and 12 HIV carriers, the center's Director Andris Ferdats told BNS.

Two patients have died; one of them this year, Ferdats said.

Ferdats claims it is difficult to find how many residents have fallen ill with AIDS and how many are HIV carriers because seven to 10 years may separate the beginning of illness from the moment of contamination.

As reported, the World Health Organization and the Latvian AIDS Center opened a seminar for journalists Tuesday [10 May] in Riga. The workshop is conducted by WHO expert Marie Noelle Belot.

The organizers maintain that the media play an important role in the formation of AIDS-related public opinion.

Lithuania

President Denounces Referendum on Early Elections

LD1205063494 Moscow ITAR-TASS in English 0558 GMT 12 May 94

[By ITAR-TASS correspondent Vladlas Burbulis]

[Text] Vilnius May 12 TASS—Lithuanian President Algirdas Brazauskas denounced attempts made by right-wing forces of the opposition to hold two new referendums in Lithuania, including a referendum on early elections to the Lithuanian parliament and the indexation of depreciated deposits in saving banks.

"I see no grounds for holding these referendums and see no reason why such acts should be made, all the more so that those suggesting such a step are guided by their narrow party and ambitious interests and are again craving for power," Brazauskas said on Wednesday [11 May] night, speaking on national television.

Brazauskas said that the party, the Union of Lithuanian Tautinkov (STL) which has several mandates in parliament and numbers around 200-300 members, has been collecting signatures for holding a referendum on early elections to parliament. "The costly referendum will be to no avail, but saw discord among the people. This is exactly what the right-wing forces are aiming at," the Lithuanian president said.

He described the idea of holding a second referendum demanded by the Union of the Motherland (Lithuanian conservators) led by Vitautas Landsbergis and Gyadiminas Vagnorius as "utopia." According to the Lithuanian president, this party demands suspending privatisation since it is being carried out in violation of law, and 100-fold indexation of the deposits in saving banks made by the Lithuanian population over the past years.

"At present, 1 billion 30 million litas are in monetary circulation in Lithuania. If the proposals made by these "theoreticians" of this party are accepted, around eight billion litas more will appear on the financial market which will inevitably cause price increases, hyperinflation and a multifold drop in the living standards of the population," the Lithuanian president said. "It is clear that Lithuanian conservators have set themselves populist, rather than real goals," he added.

Slezevicius on EU Membership, Russian Troops

LD1105115794

[Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 0700 GMT on 11 May carries a 30-minute live relay from the prime minister's office in Vilnius on the Value Added Tax and problems related to it. Lithuanian Prime Minister Adolfas Slezevicius made a brief comment at the beginning of the program concerning the latest current political events in the country. Lithuania, Latvia, and Estonia, together with other East and Central European countries, have become associate members of the Western European Union. Speaking about the importance of this, Slezevicius said:

"This is a step forward in increasing military and political cooperation between East and West. It is my pleasure to note that Lithuania, together with other Baltic countries, has become an associate member of the union significantly earlier than planned. This indicates that the

European Union [EU] is essentially changing its position on the Baltic states; it is changing its stance in the sense of accelerating integration."

He also said that when the agreement on free trade with the EU was signed this summer "our aspiration to become an associate member of the EU will become more realistic."

Slezevicius did not deny that support from other Western countries was needed for Lithuania to achieve this objective. He said: "We believe that Germany—it begins a term of Presidency of the EU on 1 July—will render us assistance as promised by Mr. Kinkel, and, by the way, other countries also support us on this. I believe that we will achieve good progress in this sphere."

Speaking about the recent statement made by Russian Defense Minister Pavel Grachev concerning a possible increase of the Russian military contingent on the territory of the Republic of Estonia—allegedly for the protection of the rights of the local ethnic Russians—the prime minister said that this "causes concern" and "could only be seen as exerting pressure on the sovereign state of Estonia." The task of the Lithuanian Government, according to the prime minister, is "to express solidarity with Estonia and protest acts of this kind."

Prime Minister Urges Maintaining Stability

LD1105142294 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 11 May 94

[Excerpt] A statement by Adolfas Slezevicius, prime minister and chairman of the ruling Democratic Labour Party, was made public today.

The statement says that in the current situation of fragile stability in the state of Lithuania, the idea of early Seimas elections proposed by the Tautininkai Union and the Democratic Party has in essence been dictated by petty party interests and not by the interests of the state and the nation.

The most important thing now is stability in the state, the prime minister maintains. According to him, signs of economic and political stability can now be clearly seen in Lithuania, and this is testified by the significantly reduced inflation, stable national currency, and the formation of governmental structures.

Adolfas Slezevicius says that western confidence in Lithuania is growing and that investments are growing, too. This is the prospect for improving the currently hard life, the leader of the ruling party said.

According to the statement, early Seimas elections would be bring about yet more political and spiritual confusion, unnecessary budget expenditure, and would waste people's efforts. [passage omitted]

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